FBIS DAILY REPORT

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ALFONSIN, MARTINEZ DISCUSS REELECTION ISSUE

PY020248 Buenos Aires BUENOS AIRES HERALD in English 1 Mar 86 p 9

[Text] (NA-DYN) -- President Raul Alfonsin sidestepped the question of constitutional reform that would allow him to be re-elected, and said that "there will be a discussion" of a divorce law in Congress in which Radical legislators "will be able to take the attitude that they believe befits them."

Speaking on reform to allow re-election, Alfonsin said that his ruling Radical Party still does not have a fixed position on the issue.

He also said the Austral Plan would continue "as till now" with officially set prices and expressed confidence in the Cartagena group meeting at the Latin American finance meeting in Punta del Este.

Alfonsin was speaking shortly after arriving in Mar del Plata for another working weekend at his Chapadmalal retreat. Joining him were Interior Minister Antonio Troccoli, Health Minister Aldo Neri and Labour Minister Hugo Barrionuevo.

Government sources said Alfonsin and the ministers will discuss ways to head off more strike action by the General Confederation of Labour (CGT) and new wage policies that may be announced in the next two weeks.

Vice-President Victor Martinez, who said on Thursday that he was opposed to allowing re-election, said he supports constitutional reform but not reform specifically to allow re-election and nothing else.

Lower House majority leader Cesar Naroslvasky said he was surprised at Martinez's opposition to allowing re-election, saying that Alfonsin's remaining for years in office "is not enough for democracy to be definitively secured and consolidated."

Justicialist Party first vice-president Vicente Saadi said that he supported shortening the presidential term and allowing re-election, saying that constitutional reform is "absolutely necessary."

The Radical bloc of deputies on Tuesday will begin debate on whether to include divorce on its agenda and sources said debate on a divorce law should begin in May.

The Catholic church released a series of statements restating the church's traditional opposition to divorce. Minors and Family Secretary Enrique de Vedia, a member of the Christian Democratic party, said that "it is possible that Argentines will this year have a divorce law," adding that such a law would "in no way make for national or social dissolution."

Earlier in the day, Alfonsin met with managers of the Mercedes Benz company to discuss investment projects in Argentina, together with West German ambassador Hans Werner Graf Finck von Finckenstein.

Also accompanying Alfonsin this weekend will be presidential chief-of-staff Carlos Becerra, Radical deputies Juan Carlos Pugliese and Leopoldo Moreau, public companies watchdog Marcelo Kiguel, labour secretary Roberto Bigatti, interior undersecretary Facundo Suarez Lastra and economic policy undersecretary Jose Luis Machinea.

Meanwhile, deputy Roberto Digon (Peronist-City) accused Alfonsin of "not listening to the opinions of those of us who do not think like the Radicals," in reacting to Alfonsin's speech in Diamante, Entre Rios, on Thursday.

Digon criticized the government's "policy of self-isolation" and said the proposal of some Radicals to allow re-election for Alfonsin "is a smoke-screen to try to cover up the grave problems that the country is suffering."

He said the government should "respect the opposition" and that it "lacks a political project to advance toward national unity."

Intransigent leader Nestor Vicente accused Alfonsin of creating "dependence" in Argentina, saying he was as wrong to criticize those opposed to policies imposed from outside as the opposition would be to believe its enemy is the government rather than external forces.

CGT ASSERTS UNITY, TO ANNOUNCE 'BATTLE PLAN'

PY032035 Buenos Aires BUENOS AIRES HERALD in English 3 Mar 86 p 5

[Text] (NA-DYN) -- The General Confederation of Labour (CGT) warned the government yesterday its "efforts to divide our struggle" will be "useless" in a statement signed by CGT Secretary-General Saul Ubaldini. The trade union federation said that "without far-reaching solutions for all Argentines, peace will always be precarious and national unity will be at serious risk."

The statement said that people who consider CGT demands political "will again be confused, because at the CGT we have a single label, that of Argentines and workers."

The CGT leadership is studying the idea of staging a mass demonstration in front of the Labour Ministry to demand changes in government wage policies. The march would be the culmination of a new "battle plan" that is expected to be announced at the CGT's plenary conference in Corrientes later this week. Union sources said the march was one of many possibilities being studied to protest official economic policies.

Meanwhile the port-workers' union (SUPA) said its members will stop work from 11:00 to noon on April 1 as part of a strike at all Latin American ports to demand governments fulfill agreements made with the International Labour Organization (ILO). SUPA said in a statement that it was staging the stoppage in accordance with a resolution adopted at the 5th Latin American Transport Conference held in Buenos Aires last month.

"The majority of countries that approve agreements with the ILO do not ratify them later, thereby evading the responsibility of fulfilling them," said SUPA. "Around Latin America, there are the most disparate and unequal wage and work conditions which bear no relation to those in developed countries," said the statement.

In Cordoba, schools may not open as scheduled on March 10 because the local teachers' union has voted to strike to protest the Labour Ministry's lack of response to wage demands. The teachers are demanding a 25 percent wage increase "without any kind of discrimination."

The resolution voted by the teachers yesterday calls for them to go to school as normal, but instead of teaching classes they will explain to parents why they are on strike. The stoppage will affect all levels.

Private sector oil workers will announce this week if they will stage nationwide strikes to protest lay-offs and demand wage increases.

TWO SOVIET VESSELS DETECTED FISHING IN ANTARCTIC

PY011500 Buenos Aires DYN in Spanish 1012 GMT 28 Feb 86

[By DYN special correspondent on board the Argentine Navy ship Bahia Paraiso on 28 February]

[Excerpts] During the next few hours the Argentine Foreign Ministry will evaluate the situation prompted by the presence, in Argentine Antarctic area waters, of two alleged Soviet vessels that were caught fishing by the Argentine Navy vessel Bahia Blanca southeast of the South Orkney islands. Although the Veldhamensu and the Zhukovsky did not bear any flag at the time they were apprehended, they had a symbol with the hammer and sickle in yellow on a red background.

The episode took place at dawn yesterday when the Bahia Paraiso, which was arriving at the South Orkney islands, noted the luminous traces of a fishing fleet. The Argentine vessel received no response to its radio or light signals, although it clearly heard radio communications in Russian.

The treaty for preserving living maritime species in the Antarctic, in force within the framework of the Antarctic Treaty -- also signed by the Soviet Union -- provides strict measures regarding fishing south of the 60th Parallel. These measures had allegedly been violated by the fishing vessels in question.

Members of the crew -- who were photographed in detail by some reporters -- continued to work with the fishing nets that had been spread out while others proceeded to curiously look through binoculars.

Members of the Antarctic Directorate then explained that, although the treaty is in force, there are still no regulations as to how one country is to inspect vessels of other countries in the Antarctic area.

However, this did not prevent some skillful sailors on board the Bahia Paraiso from determining quite accurately the type of nets used by the foreign fishing vessels which, it was stated, are used to catch a type of fish known as "Polish hake." Sola stated that based on the next contacts that his aid have with the Foreign Ministry in Buenos Aires, this ministry will start to study the possibilities of sending an informative note to the Soviet Government. He added that because the incident took place in Antarctic territory over which Argentina claims sovereignty, the government must carefully analyze the issue.

Sola noted that the final decision should be made by the Foreign Ministry and that the Antarctic Directorate should only disclose what happened. He said that the fact that one of the vessels did not bear the flag of the country to which it belongs, and that it and the other vessel refused to communicate over the radio, leads him to suspect some irregularity.

MINISTER SEEKS AID AGAINST DRUG TRAFFICKING

PY050000 La Paz Radio Illimani Network in Spanish 1700 GMT 3 Mar 86

[Text] Defense Minister Luis Fernando Valle has said that any campaign to reduce the cultivation of coca will be unsuccessful if the means are not provided to counter drug trafficking. The minister made this statement when commenting on a press report that the U.S. Congress is considering a resolution to cut financial and military aid to Bolivia if effective results are not obtained from the struggle against drug-trafficking and the reduction of coca cultivation areas.

Valle categorically refuted this initiative, which will be called anti-[word indistinct]. He added that the U.S. congressmen should prepare a bill to authorize more cooperation with Bolivia to eradicate illegal trafficking. The minister said that drug traffickers in Bolivia, who have great economic power, will never be fought effectively if Bolivia does not have appropriate means of mobilization, communication, and repression.

According to available reports about drug trafficking, the eradication of coca in Bolivia would be useless because the drug traffickers could establish new plantations in any neighboring country.

The minister said that the Armed Forces have been cooperating with the police for a long time in fighting drug trafficking plans, as in the case of [words indistinct]. Minister Valle said that this campaign is not yielding the results demanded by some foreign governments because Bolivia does not receive needed international financial aid.

U.S. Decision 'Incoherent'

PY041810 La Paz Cadena Panamericana in Spanish 1130 GMT 4 Mar 86

[Text] The Ministry of Information has released a communique stating that the Bolivian Government disagrees with a decision made by the U.S. Senate. The communique was delivered last night to journalists accredited to Government Palace. The important parts of the communique say:

In the last few months the Bolivian Government has undertaken actions to fight drug trafficking and has obtained important aid for this purpose. However, efforts are being made in the United States to approve a law that goes beyond coercion, because it is a decision that affects national sovereignty.

The communique also states that the attitude of the U.S. Senate is simplistic, because it does not consider the Bolivian economic problem in depth and makes a decision that seriously affects our situation. The communique also recalls that on 24 December 1985 the U.S. President promised to disburse economic aid for the struggle against drug trafficking because the new Bolivian Government had demonstrated its desire to fight drug trafficking. The U.S. Senate decision reflects an extremely incoherent attitude, according to the communique.

BORGE VISITS, ENDORSES CONTADORA COMMISSION

PY041931 Madrid EFE in Spanish 0240 GMT 4 Mar 86

[Text] Rio de Janeiro, 3 Mar (EFE) -- Nicaraguan Interior Minister Tomas Borge stated here today that Brazil should participate in the Civil Commission for Observation, Prevention, and Inspection which has been proposed for Central America by the Contadora Group. He added: "It is very important for an important country like Brazil to participate in this commission, which is tangible proof that peace in Central America is possible."

In Borge's opinion, this commission is the most important step taken so far toward bringing peace to the region. "It also reflects the efforts of the countries that make up the Conradora Group and justifies its existence." The Nicaraguan leader added that it is up to the Brazilian Government to decide whether or not Brazil will participate in this commission.

Regarding the charge that Nicaragua sends weapons to Central American guerrilla groups, Borge said: "Since these weapons have to cross Honduran territory, the Commission will be able to investigate this charge." He added that the position of the new Costa Rican president is very important for the Central American peace process.

The Sandinist leader asserted that although the press is not persecuted in Nicaragua, "some newspapers are censored because the country is in a state of war, and news related to national security must be censored."

Borge arrived in Rio de Janeiro on 2 March in response to an invitation by Rio's Governor Leonel Brizola to attend the Latin American Congress of Sociology being held in this capital. Borge reported that on 4 March he will meet Foreign Minister Abreu Sodre and possibly President Jose Sarney.

ECONOMIC MEASURES EASE GOVERNMENT-PMDB CRISIS

PY042338 Rio de Janeiro O GLOBO in Portuguese 1 Mar 86 p 3

[Excerpt] Brasilia -- Brazilian Democratic Movement Party [PMDB] leaders admit that the stabilization program announced on 28 February by President Jose Sarney has decidedly helped to alleviate the crisis between the party and government. Favorable reactions to the stabilization program were expressed by PMDB President Deputy Ulysses Guimaraes soon after a meeting on 27 February between the PMDB leadership and government economic advisers from the PMDB. Ulysses Guimaraes, in a telephone conversation with another party leader, said: "The deputy leaders were worried, but they were very impressed and convinced by the explanation by Luiz Gonzaga Belluzo and Luciano Coutinho," except for the fact that the PMDB did not officially learn about the program until the meeting on 28 February in Alvorada Palace.

The PMDB leaders believe that the program was a response by President Sarney to demands by Guimaraes and other PMDB sectors for acceleration of anti-inflation measures.

This demand was made on 26 February during a press conference that was interrupted by a telephone call from the president to Guimaraes. The deputy halted the press conference to speak with Sarney and then resumed the conference, reporting that the demand would be complied with on that same day, according to the talk he had just held with the president.

While Guimaraes talked with Sarney in Alvorada Palace, PMDB leader Pimenta da Veiga arrived in Brasilia and announced the end of the transition period and of the Democratic Alliance itself. He also said he is the only leader of the party bloc. The day after he spoke with the president, Guimaraes complained that the press had exaggerated his statements by interpreting the interview as a defense of the government by the PMDB. By this, Guimaraes was trying to rekindle what had been considered extinguished during the press conference: the government-PMDB crisis.

Despite his observations on the form but not the contents of the measures, Ulysses Guimaraes was one of the first to arrive at Alvorada Palace yesterday, along with Pimenta da Veiga, to participate in the meeting between the president and the leadership of the Democratic Alliance. The PMDB, which did not participate in the Cabinet swearing in ceremony last week (except for the presence of the party's deputy leader in the Senate, Senator Helio Gueiros) was represented at the palace by its so-called "strike force" and three leaders: Pimenta da Veiga, Helio Gueiros, and Humberto Lucena.

Poll Notes People's Approval

PY030232 Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Mar 86 p 1

[Excerpts] The people have welcomed the government's anti-inflation program and have cooperated in the control of prices, which are now frozen, almost everywhere throughout the country. According to a poll taken by DataFolha in Sao Paulo on 28 February, 59 percent of the people believe that the economic shock treatment is a good measure.

Businessmen have concentrated their efforts on trying to understand how the new economic system will work. FIESP [Sao Paulo State Federation of Industries] president Luis Eulalio de Bueno Vidigal Filho said that the government itself will need some time to explain the measures.

Economists are in disagreement over the efficiency of the program and its effects on salaries. CUT [Sole Central Organization of Workers] and Conclat [National Conference of the Working Classes] leaders have criticized the measures, while unions have began to consider the possibility of staging a general strike. Labor Minister Almir Pazzianotto met in Brasilia with six Conclat labor confederations. The CUT refused to attend the meeting because, as CUT President Jair Meneguelli put it, "the government has just broken all negotiations with the working class." The left wing of the PMDB [Brazilian Democratic Mobilization Party] clearly supports the decisions by Sarney. Paulo Francis reports from New York that the United States has taken the new measures seriously.

DEL VALLE MEETS WAGNER, VIEWS BOLIVIAN TIES

PY040220 Santiago Domestic Service in Spanish 2200 GMT 3 Mar 86

[Excerpts] Foreign Minister Jaime del Valle has reported that he held a 30-minute meeting on 1 March at the [Santiago] airport with his Peruvian counterpart Allan Wagner. Del Valle said that he held an extremely fruitful meeting with Wagner and noted that the Peruvian foreign minister confirmed that he will come to Chile to attend the seventh joint Chilean-Peruvian commission meeting, to be held on 31 March in Santiago.

Del Valle also reported that the Chilean Foreign Ministry sent a condolence message today to the Swedish foreign minister in view of the tragic death of Swedish Prime Minister Olof Palme.

Regarding the Bolivian foreign minister's recent statement that conditions are not right for the resumption of diplomatic relations with Chile, Del Valle said: Bolivia has taken an important step by appointing a consul general to Chile. He added that we have already expressed our position, and we shall not change it. We will not continue to make any statements because there comes a time when such statements do more harm than good. They undermine our goal to achieve good relations with Bolivia; therefore, nothing of benefit is attained.

ARCHBISHOP FRESNO CALLS FOR RECONCILIATION

PY031245 Paris AFP in Spanish 1710 GMT 2 Mar 86

[Text] Santiago, 2 Mar (AFP) -- In a dramatic Lent message, Santiago Archbishop Cardinal Juan Francisco Fresno today warned that Chile must find a peaceful way toward democracy to halt political violence. Concerning the scourge of violence, which is becoming more intense, Fresno said that without reconciliation and peace, the path Chile must follow will become increasingly dangerous.

We must do everything in our power to achieve peace, he stressed, recalling his reconciliation efforts, which ended last August when 11 political parties, ranging from the conservative right to the Marxist left, signed the National Accord for restoring democracy. The accord, which called for free elections, was rejected at the end of December by President Augusto Pinochet, who reiterated his decision to remain in power until 1989.

In 1985, driven by the feelings of a pastor and not a politician, I took some steps to promote dialogue leading to a peaceful transition toward democracy, Fresno said. I believe that to refuse to engage in dialogue and to reject the possibility of reaching an accord is a mistake that can bring serious and irreversible consequences to Chile, he warned.

Hundreds of faithful gathered in the Lourdes grotto in Santiago to listen silently to the cardinal, who stressed the urgent need for a broad movement of fraternal feelings. Regarding violence, Fresno recalled that in recent years many needy and desperate people and generaous public servants have died.

During the past 3 weeks, two Carabinero officers died here: one as a result of a bomb that exploded as a police vehicle was passing; the other was shot dead as Carabineros were controlling a group of antigovernment demonstrators.

The Chilean Cardinal ended by stating: In this Lent message I once again appeal for charity and justice to prevail over emotions and that, based on that solidarity, bridges will be built that will allow a rapprochement of positions rather than their radicalization.

INDICTMENTS OF PDC, COMMUNIST LEADERS CONFIRMED

PY050021 Santiago Domestic Service in Spanish 2200 GMT 3 Mar 86

[Text] The Santiago Appellate Court has confirmed the indictments of former Communist Senator Alejandro Toro and Andres Palma, president of the Christian Democratic Party [PDC] youth group. Both men were charged by the Interior Ministry with violating the state security law. Palma was arrested on 18 February and indicted on 21 February by Judge (Sergio Meril); and Toro was indicted by Judge (Marcos Lubedinsky).

Lawyers Luciano Pullo, representing Andres Palma, and Juan Pavin, representing Alejandro Toro, have already appealed the court's ruling, which was confirmed this afternoon.

The 7th Court of Appeals, in keeping with the unanimous vote of Judges Jose Canovas and Luis Correa, confirmed Toro's indictment. But the 8th Court of Appeals unanimously dismissed one of the charges against Andres Palma, the charge of violating Article 11, Clause 2, outlawing incitement to strike. The court unanimously confirmed the indictment against Palma for violating Article 4, Letter A, promoting the subversion of public order. The indictment against Palma was confirmed by Judges (Lionel Berau); Efren Araya; and Juan Gonzalez.

COURT ARRAIGNS PRESIDENT OF RADICAL PARTY

PY031329 Madrid EFE in Spanish 0439 GMT 28 Feb 86

[Text] Santiago, 27 Feb (EFE) -- The Santiago judge advocate today decided to arraign former Comptroller Enrique Silva Cimma, president of the Chilean Radical Party. Silva Cimma was informed of the decision after being summoned for questioning. After being notified of the decision he was held until the court released him on bail.

Silva Cimma is accused of offending the Armed Forces because, as plaintiff in the case of the death 4 years ago of Tucapel Jimenez, president of the National Association of Government Employees (ANEF), he made statements in 1983 linking the National Intelligence Center (CNI, the regime's political police force) with the union leader's death. Tucapel Jimenez was beheaded 4 years ago on the outskirts of Santiago, and the perpetrators remain unpunished.

RADICAL PARTY ACCUSED OF VIOLATING ACCORD

PY042106 Santiago EL MERCURIO in Spanish 22 Feb 86 p C 2

[Text] Andres Allamand, chairman of the National Union [Union Nacional -- UN], yesterday asserted that the Radical Party [PR] is "clearly violating" the National Accord by seeking agreements with groups condemned and excluded by the Accord for their unequivocal totalitarianism and violence.

Allamand added: "It is a historically known fact that for many years now the Communist Party [PCCh] has had a determining influence on the philosophy and behavior of the Radical Party."

Allamand said that recent UN criticism of the PR's decision to hold formal talks with the Popular Democratic Movement [MDP] should not upset the leaders of the PR or take them by surprise, because they are shared by the leaders of other Democratic Alliance forces.

"Besides," he said, "it is unusual for a group that intends to participate in political life to be intolerant of other parties discussing its acts."

He mentioned three examples of "indisputable evidence" of the connection between the PR and PCCh:

1) The expulsion of three well-known anti-Marxist leaders from the 24th Convention of the Radical Party in 1969, which gave birth to the Radical Democracy.

2) The fact that the 25th Convention of the PR in 1971 adopted a definitively pro-Marxist stand, which gave birth to the Leftist Radical Party (PIR).

3) The fact that Enrique Silva Cimma, current chairman of the PR, had remarked that the party "should never have stopped being genuinely democratic," losing its traditional conception, "and becoming Marxist."

In conclusion, Allamand said the most recent acts of some Radical leaders "are a new step toward the Marxist magnet, which has been influencing them historically," but that, "it is auspicious that other factions of the old radicalism have been following this party's authentic beliefs."

HUMAN RIGHTS SITUATION 'WORSENED' IN 1985

PY042111 Madrid EFE in Spanish 1208 GMT 3 Mar 86

[Text] Santiago, 3 Mar (EFE) -- The Chilean Human Rights Commission has reported that in 1985 the human rights situation worsened in the country, especially after the lifting of the state of siege in June 1985. The state of siege was in effect between November 1984 and June 1985 and was replaced by the state of emergency, which is less rigorous and is still in effect.

According to the statistics issued by the Chilean Human Rights Commission, detentions for political reasons have increased from a monthly average of 441 during the state of siege to an average of 1,002 after the state of siege. The monthly intimidation average has increased from 29 before the state of siege to 34 after the lifting. In the same manner, deaths have increased to six a month.

BRIEFS

CHANGES AT FOREIGN MINISTRY -- Diplomat Gaston Illanes has been installed as general director of foreign policy at the Foreign Ministry, replacing Raul Schmidt, who has been appointed ambassador to Brazil in place of Javier Illanes, former ambassador to Brazil, who has in turn been appointed Chilean representative to the OAS [Summary] [Santiago LA TERCERA DE LA HORA in Spanish 19 Feb 86 p 16 PY]

PANAMA'S NORIEGA VISITS, SIGNS ACCORD

Text of Declaration

PA042342 Panama City MATUTINO in Spanish 4 Mar 86 pp 1-A, 8-A

["Text" of declaration signed by General Rafael Samudio Molino, commander of the Colombian Armed Forces, and General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces, at Ft San Juan de Manzanillo in Cartagena, Colombia on 1 March]

[Text] Ft San Juan de Manzanillo Declaration General Al Rafael Samudio Molina, commander of the Colombian Armed Forces, and General Manuel Antonio Noriega, commander in chief of the Panamanian National Defense Forces, on the occasion of General Noriega's visit to the Republic of Colombia.

Inspired by the traditional and cordial ties of friendship that have always existed between the two Armed Forces.

Considering the special historic, geographic, political, and cultural circumstances that have characterized the ties between the Republics of Colombia and Panama, keeping in mind that the two countries are signatory members of the OAS Charter approved in Bogota in 1948, and reiterated in Article 18 of the OAS Charter amended by the Buenos Aires Protocol in 1967, Article 15 of which reads:

"No state, or group of states, has the right to intervene, direct or indirectly, for whatever reason, in the domestic or foreign matters of another state. This principle not only excludes the armed forces but also any form of intervention or an unlawful act against the state by political, economic, and cultural elements that form it."

Aware of the current complex geopolitical situation of Latin America in general, of the Central American region, especially the Caribbean; renewing our commitments to the demands for unity among the Latin America nations and peoples as presented by Liberator Simon Bolivar;

The two armed forces declared their determination to continue with the plans for the qualitative and material improvement of their respective technical and professional capacities in accordance with the rapid evolution of the contemporary military technologies and sciences;

Reiterate their commitment to continue strengthening the mechanisms of cooperation in the area of defense, protection, surveillance, and security of the maritime and land borders between the Republics of Colombia and Panama, especially to prevent the trafficking of weapons across those borders; reaffirm their willingness to strengthen the technical and professional capacity of the specialized troops who are dedicated to the fight against all forms of terrorism -- including drug trafficking -- that may jointly threaten the political, economic, and social stability of their respective countries;

Express their agreement to resume the periodic bilateral meetings between the border military authorities of the two countries; reaffirm their willingness to unify criteria concerning the Civic Action programs that seek to contribute to the socio-economic structure of their resepctive countries, bearing in mind their peoples' wishes for peace, well-being, and progress.

Signed at Ft San Juan de Manzanillo in Cartagena, Colombia, on 1 March 1986, Gen Rafael Samudio Molina, commander of the Colombian Armed Forces; Gen Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces

Comment on Democracy, Arms

PA031303 Madrid EFE in Spanish 2052 GMT 1 Mar 86

[Text] Bogota, 1 Mar (EFE) -- Panama Defense Forces Chief and "strong man" General Manuel Antonio Noriega has said that Central America "is living in a time of democracy" after a cycle in which it "required military intervention due to the decay of civilian power" in the region.

In statements to EFE, the Panamanian military leader, who is on a 2-day visit in Colombia to meet with various military commands, said that the free elections held in Guatemala, Honduras, and Costa Rica over the past several months broaden "the new democratic experience." Noriega added that the frail Central American economy "is the main threat" to individual and political freedom in the area, and that "this is why this democratic cycle must be assisted and supported." "If this is done, I predict a new international status, new perspectives, and better undertaking and hopes in all fields for Central America," he said.

The chief of Panama's national guard also referred to what he called "narcoterrorism" as one of the "great dangers" to the stability of many Latin American countries. "Narcoterrorism," he added, "is a new concept in this era of violence we are experiencing ..., through which criminals use the great economic power and resources of drug traffickers to attain their ends." He added that his country is also experiencing this problem because "we are vulnerable geographically and our territory is used to springboard cocaine and marijuana to the consumer markets."

Gen Noriega said that the main purpose of his visit to Colombia was to discuss arms traffick from Panama to the Colombian coasts for guerrilla groups.

The Panamanian military leader met on Friday with Colombian Defense Minister General Miguel Vega Uribe, Chief of the Military Forces General Augusto Moreno Guerrero, and other ranking military and police officials.

Though Noriega did not go into details on his discussions with the Colombian authorities, he did reveal that in the future "a joint infrastructure to come to terms with this problem," which will also help control drug traffic, will be established. He added that it is " a very complex problem," which has not only police elements, "but also migratory" ones. The Panamanian general said that "the arms are not made in Panama but in other countries. Many of them come from the United States and the exchange is made in my country because the criminals use coasts and points in the open sea to make the exchange."

Regarding Panama's relations with the United States, Noriega told EFE that they are "normal," as proven, he said, by the recent joint maneuvers for the defense of the Panama Canal, the sovereignty and property of which will revert to Panama in 1999. He said that the frictions between the government of President Eric Arturo Delvalle and the U.S. Administration over statements made by the new U.S. ambassador in Panama, Arthur Davis, on human rights in this country have been settled.

Panamanian Foreign Minister Jorge Abadia met several days ago with U.S. Secretary of State George Shultz to ask for explanations on Davis' statements before a U.S. Senate subcommittee on Panama, which this country believed could constitute meddling in its domestic affairs.

Today Gen Manuel Augusto Noriega left Bogota for Cartagena de Indias, where he will visit military installations and then return to his country on Sunday.

COSTA RICA'S ARIAS ARRIVES FROM VENEZUELA

PA041933 Bogota Television Service in Spanish 1730 GMT 4 Mar 86

[Text] Costa Rican President-elect Oscar Arnulfo Arias arrived at noon today in Bogota from Venezuela, where he met with President Jaime Lusinchi. Arias plans to meet with President Belisario Betancur. Upon his arrival at Eldorado Airport, Arias said, among other things, that he does not think he is a supporter of the position of President Reagan, who is asking Congress for economic assistance in order to supply weapons to the Nicaraguan contras. Here is what Arias said upon arrival in the Colombian capital:

[Begin recording] [Arias] We are convinced that our fundamental challenges are economic development and the improvement of our people's living standards. From this standpoint, the hopes of improving the quality of life of the Costa Rican people are incompatible with the establishment of an army, which we abolished 38 years ago.

[Unidentified reporter] As a neighbor of Nicaragua, what is your opinion of President Reagan's decision to support the counterrevolution in that country?

[Arias] I have said I am against the military aid. I think that thus far the military assistance has only served as an excuse for the Nicaraguan Government not to sit down to negotiate and not to meet the demands of the Contadora Group which, during many years and through strenuous efforts, has made a wonderful effort to settle the conflicts on the Central American isthmus at a negotiation table. For this reason, I do not believe the military aid is advisable. I am convinced that the solution to those conflicts does not lie in war or violence but in a negotiation. [end recording]

FOREIGN MINISTER SCORES U.S. AREA POLICY

PA031450 Madrid EFE in Spanish 0112 GMT 3 Mar 86

[Text] Bogota, 2 Mar (EFE) -- Colombian Foreign Minister Augusto Ramirez Ocampo affirmed today that the U.S. policy for Central America goes against the peace efforts of the Contadora Group. Ramirez made this statement upon returning to Bogota after participating in the Cartagena Agreement meetings, on the Latin American foreign debt and the Contadora Group (Venezuela, Panama, Mexico, and Colombia) in Uruguay and Argentina. Ramirez stated: "The U.S. Government and the rest of the international community have been informed that any support given by a country from outside the region to Nicaraguan affairs [asuntos de Nicaragua] or to insurrectional groups goes against international legal order."

The Colombian foreign minister recalled that this position was stated last month in Washington to U.S. Secretary of State George Shultz during his meeting with the Contadora Group and the Support Group (Argentina, Brazil, Peru, and Uruguay). Ramirez said that Contadora not only rejects the support the United States gives to the anti-Sandinist guerrillas but also "those who carry out the same activities from within or from outside the region."

The foreign minister noted that Chile and Bolivia are making advances so that the latter may secure an outlet to the sea. He stated: "Colombian efforts in this direction have not been in vain." Ramirez noted that in Punta del Este he had the opportunity to discuss this matter with his Chilean colleague, Jaime del Valle.

GOVERNMENT DECIDES NOT TO LIFT MARTIAL LAW

PA031922 Paris AFP in Spanish 1654 GMT 3 Mar 86

[Text] Bogota, 3 Mar (AFP) -- The government of President Belisario Betancur announced today its decision not to lift the martial law that has been in effect in Colombia since 1 May 1984. Government Minister Jaime Castro has said that the current public order situation does not guarantee national calm especially for next Sunday, when there will be legislative elections. On Sunday, approximately 14 million Colombians over 18 will vote in Senate, deputy and municipal assembly, and aldermen elections.

Castro said that although the country is going through a transition phase leading to the constitutional normalization of the communist Revolutionary Armed Forces of Colombia (FARC) guerrillas, there are still subversive foci that make martial law necessary. He said he hopes that after a truce is signed with the FARC on Sunday, it will be possible to lift martial law soon afterwards. FARC is the largest Colombian guerrilla group. It will participate in Sunday's elections with its own candidates. Castro said he trusts legal normalcy can be reestablished in the country before 7 August, when the constitutional period of President Belisario Betancur expires. Betancur's successor is to be elected on 25 May.

GUERRILLAS INVITE CHURCH TO DISCUSS PAPAL VISIT

PA041459 Paris AFP in Spanish 2214 GMT 3 Mar 86

[Text] Bogota, 3 Mar (AFP) -- The Colombian guerrillas today invited the Catholic hierarchy to hold a dialogue to achieve "a better development of the papal visit" that will take place on 1 to 7 July. This is stated in an open letter sent to the Episcopal Council by the National Guerrilla Coordinating Board, which includes the 19 April Movement (M-19), the Popular Liberation Army (EPL), the Army of National Liberation (ELN), Free Fatherland, the Revolutionary Workers Party, and the Indian Quintin Lame movement.

In the letter, the coordinating board stated that "as a vital part of the present and future of our homeland, we want the best development of the papal visit, and for this purpose we propose that you hold a joint meeting with us. [no closing quotation mark as received] With cordial and respectful words, the guerrillas explained to the Colombian bishops that the meeting would be to "analyze aspects, viewpoints, and activities to make such an exceptional spiritual moment an opportunity to seek an atmosphere for better living conditions and human dignity." The Colombian Catholic Church has yet to issue a statement on the message, which was dated 27 February and sent to AFP today.

FARC'S ARENAS ON PEACE PROCESS, ELECTIONS

PA040159 Bogota Television Service in Spanish 1730 GMT 3 Mar 86

[Interview with Jacobo Arenas, member of the FARC general staff of by an unidentified reporter; date and place not given -- recorded]

[Text] [Reporter] What do you think this [extension of peace agreements] means for the people, and what do you expect from the next elections?

[Arenas] We have great hopes for the consolidation of the process. I personally feel that the upcoming 9 March elections will greatly contribute to consolidating the peace process.

[Reporter] Naturally, you have political expectations from the final vote count after the 9 March elections. Have you decided what you will do afterwards if you do not obtain the expected results?

[Arenas] Oh no, what we are expecting are the possibilities and guarantees, so that the political opinion in Colombia can be truly expressed at the polls. That is all. Our idea is not to win seats on the councils, assemblies, chamber, or senate. That will depend on our own strength, and that is why we are requesting guarantees, because there are many people who want to vote for us.

[Reporter] Finally, there is something of utmost importance from the public opinion's viewpoint concerning FARC. Will you continue with the same desire for peace, for the consolidation of peace, and will you continue to honor the agreements with the next government, whichever one it may be?

[Arenas] Yes, we have established a policy, which is a long-term policy. We have said that with the consolidation of the peace process, it will be possible -- hopefully in the near future — to draft a new document with the government, in order to achieve peace here in Colombia.

JAIME CASTRO SAYS M-19 WILL NOT HAMPER ELECTIONS

PA040034 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 3 Mar 86

[Text] Bogota -- Government Minister [Jaime Castro Castro] ruled out the possibility that the M-19, which has not signed the peace agreements, will hamper the upcoming elections for congressmen and president of the republic. Castro said that the M-19 recently said that it does not consider the next elections to be a special event in the country's political life, and that thus, 9 March and 25 May will go unnoticed for that organization.

Castro added that the irregularities that have been reported in some civil registries on the issuance of identification cards, particularly on the Atlantic Coast, are isolated phenomena on which the competent authorities acted opportunely thereby neutralizing any possible effects. Castro said that he trusts that the current state of siege may be lifted before the end of the current administration. However, he warned that this decision does not depend on the citizens' request or on the government's willingness, but on circumstances and events.

FARC WILL NOT INTERFERE WITH SHELL'S WORK

PA032248 Bogota EL TIEMPO in Spanish 28 Feb 86 p 12-C

[Excerpt] The 24th Front of the FARC pledged to the Peace Commission that it will not interfere in the least with the work and activities being carried out by the Shell Oil Company, and reasserted that the cease-fire orders issued by the guerrilla group's leaders will be respected. The Peace, Verification,and Dialogue Commission sent a delegation comprised of Braulio Herrera, Alirio Caicedo, and Carlos Morales to Barrancabermeja, with the intention of clearing up the situation, given the Shell Oil Company's reports that a FARC contingent had been issuing threats to force it to abandon the territory, and the exodus of peasants provoked by a number of confrontations between the Army and the guerrilla group.

FOREIGN MINISTER BEGINS TOUR OF EUROPE

PY030036 Asuncion HOY in Spanish 28 Feb 86 p 12

[Text] Foreign Minister Carlos Augusto Saldivar began on 26 February a long trip that will take him to Europe, where "his main objective will be to tell the truth about our country." The objectives of his trip are primarily political, aimed at improving bilateral relations and "showing the opposition that Paraguay has very good relations with all the nations of the Western, Christian world." However, in addition to the political objectives, there is also interest in promoting commercial ties, winning new markets, and reconquering lost ones. The minister will contact EEC officials to continue, as he put it, negotiations for reopening the EEC market to Paraguayan meat.

Dr Saldivar's agenda also includes negotiations on an agreement for the soybean railway [which will allow Paraguayan soybeans to reach seaports], a much desired government project that has recently been renamed the production railway. Great Britain might be the right country for implementing the project, taking into account the bilateral negotiations that began on the matter years ago. The trip, which the foreign minister began late last night, is the first of its kind in a long time, and Saldivar is hopeful about its results. The minister will avail himself of all offers made by friendly countries.

Before getting on the LAP [Paraguayan Airlines] plane that was to take him to Europe, the minister stressed that "We will visit that continent to tell the truth about our country." In this regard, he said that "Some people have recently damaged our image by circulating false information about our country. Fortunately, these reports cannot harm the Paraguayan Government, which has the support of the people and of a great party like the Colorado Party and which is led by a great president who enjoys the support of a vast majority of the Paraguayan people."

FRG's Genscher Declines Meeting

PY041611 Paris AFP in Spanish 1446 GMT 4 Mar 86

[Text] Bonn, 4 Mar (AFP) -- An FRG Foreign Ministry spokesman announced today that Foreign Minister Hans-Dietrich Genscher will be extremely busy and will not be able to receive Paraguayan Foreign Minister Carlos Augusto Saldivar when he visits the FRG on 13 March. In this way Genscher plans to remain faithful to his boycott of the regime of General Alfredo Stroessner. Last July, when the Paraguayan dictator planned to visit Bonn, Genscher announced that he would be on a tour abroad at that time. Displeased withthe cold welcome planned by Bonn, Stroessner, who was at that time accused of having helped Nazi criminal Josef Mengele, cancelled the visit.

Before leaving for Bonn, where he will be welcomed by a representative of the FRG Foreign Ministry, Saldivar will visit Munich on 13 March, where he will be hosted by Franz-Josef Strauss, the conservative Social Christian leader of Bavaria, who is the architect and supporter of good relations between the FRG and Paraguay. The Paraguayan foreign minister will also visit Madrid, London, Vienna, and Brussels.

WAGNER ON MIRAGE PURCHASE, CONTADORA MEETING

PY041555 Lima Television Peruana in Spanish 0000 GMT 4 Mar 86

[Text] Foreign Minister Alan Wagner Tizon today said that the total reduction in the number of planes to be purchased from France will be established soon. The French and Peruvian Governments will soon implement the agreements reached during the last meeting held in Paris. In the next few days the two governments will definitively establish the numberof Mirages to be excluded pursuant to the reduction agreed to in Paris. The financial aspects for the payment on the planes Peru agrees to buy will also be announced in the near future, Minister Wagner said.

He added that the French Government will not demand that a penalty be paid for the planes that will not be bought, thanks to the political agreements reached in Franch 2 weeks ago.

The Peruvian foreign minister also said that during the recent meetings in Punta del Este it was decided that a first meeting of the eight ministers of the Contadora and the Contadora Support Groups should be held with the five Central American foreign ministers at the end of March.

AGREEMENT REACHED WITH OCCIDENTAL OIL, NESTLE

PY042043 Madrid EFE in Spanish 0054 GMT 2 Mar 86

[Text] Lima, 2 Mar (EFE) -- Peruvian President Alan Garcia announced today in Lima that next week his government will sign an oil contract with Occidental Petroleum based on an agreement signed late last year. Garcia also reported in a press conference during a visit to a poor district of Lima that his administration has reached an agreement with the Swiss transnational company Nestle to transfer ownership of one of the Nestle companies in Peru to the Peruvian private sector. Twenty percent of the shares will pass to the state.

Garcia talked about the oil issue in answer to criticisms by Senator Enrique Bernales of the United Left, saying that the contract with the U.S. company will be signed because "there is nothing to hide or to be afraid of." The Peruvian president added that those who believe that the contract is not correct "should make their own proposals, win the next elections, and then rewrite the contract. That is democracy."

Garcia explained that with the signing of the new oil contract his administration will be able to obtain benefits for the country by increasing from 41 to 68 percent the taxes payable to the Peruvian Government. He added that the taxes that were not paid by Occidental for 4 years will now be paid and that the company will invest in oil exploration, which it has not done during the last 4 years. The company will guarantee the exploration investment with its banks accounts and properties.

Garcia explained that according to the agreement Occidental promises to invest in oil exploration, posting as guarantee its properties not only in Peru but also abroad.

Regarding the agreement with Nestle, Garcia indicated that Nestle, which presently owns 60 percent of the shares of the plant in Arequipa, southern Peru, has agreed to keep 40 percent of the shares, thus leaving 60 percent to Peruvian capital, of which 20 percent will be sold to the state.

Garcia said that with this agreement the Nestle company will no longer have a monopoly and that the state will purchase the shares under the condition that the money paid by the state for the shares "will not be taken abroad" but be invested, with other foreign capital, to build a powdered milk plant in Peru. Nestle also owns another dairy product factory in Chiclayo, 780 km north of Lima, where it will continue to own the majority of shares.

Garcia explained that his government is reorganizing and improving foreign investment so that the country can gain, not lose, from it. He said that the idea is not to nationalize or close the doors to foreign capital. He added that "the intelligent thing to do is to obtain better conditions by knowing how to negotiate," adding that what the people want "is someone to defend them, someone who will get better conditions for them."

$105.1 MILLION PUBLIC DEBT PAYMENT REPORTED

PY041300 Madrid EFE in Spanish 0050 GMT 3 Mar 86

[Text] Lima, 2 Mar (EFE) -- Peru repaid a total of $105.1 million of its medium- and long-term public debt during the last quarter of 1985, it was reported today in Lima.

According to a report released by the National Institute of Statistics (INE), this payment was broken down as follows: $63.6 million for amortization of the principal and $41.5 million for interest. The INE report added that Peru contracted loans totaling $66.6 million during the same period.

The report said that there has been a "restrictive trend" in the flow of financial resources toward Peru, especially by international banks, as a result of the Peruvian Government's decision to limit its foreign debt payments to 10 percent of its export revenue.

BRIEFS

LARGE GAS DEPOSITS DISCOVERED -- Senator Carlos Malpica has stated that the Shell Oil Company has discovered large quantities of natural gas in the Peruvian jungle area. Reserves are estimated at 2600 million cubic feet. [Text] [Lima Radio del Pacifico in Spanish 1200 GMT 14 Feb 86 PY]

SANGUINETTI REVIEWS FIRST YEAR IN OFFICE

PY041352 Madrid EFE in Spanish 2204 GMT 1 Mar 86

[Text] Montevideo, 1 Mar (EFE) -- President Julio Maria Sanguinetti today told EFE that the subordination of the Armed Forces to the civilian government and the country's economic policy are "the most positive" aspects of the first year of his democratic administration.

Sanguinetti, 50, stated during an interview granted to EFE that "a political pact among parties represented in Congress would be very important" for the "final consolidation" of democracy. The president added that the cases of human rights violations during the previous military regime "are something for the courts to decide," and reaffirmed that the administration will not meddle in this matter.

Sanguinetti, a journalist of long standing and former education and industry minister who belongs to the Colorado Party, took his oath as constitutional president of Uruguay on 1 March 1985 after winning the elections which lowered the curtain on 12 years of military rule.

The president stated that "throughout this year the Armed Forces have displayed subordination to the civilian administration, and this is one of the most positive aspects of this phase." He then went on to defend his government's economic policy.

He said that his cabinet "is not masochistic. It has managed to reschedule the foreign debt to the extent possible. If someone can offer better sources of funds with longer terms of payment and lower interest rates, let us have them, and we will take them with pleasure."

Sanguinetti added that his government has "a liberal political approach and social democratic leanings," which means that "it does not approve of Marxist ideas or of people who merely reject the foreign debt, the IMF, and the new approaches without offering alternatives."

The Sanguinetti administration inherited a $5-billion foreign debt that was contracted almost entirely during the military regime. "Our main attention has been focused on foreign trade. If the international prices of our exports improve, the foreign debt will no longer be the burning issue it is today," Sanguinetti said.

He added that "although the GDP has not experienced growth, the purchasing power of wages has increased by 14 percent. However, this improvement will not take hold unless the country begins to grow. For this, investments must be increased and this, in turn, requires an atmosphere of tranquillity."

The president criticized the "excessive number of labor union conflicts" that occurred during his first year in power, which was plagued by almost 1,000 labor conflicts, including 2 general strikes. "Although something like this was to be expected after union activities had been repressed for such a long time, there have been exaggerations. The labor movement must realize that they have to do their share. Otherwise they will be the first victims of their own mistakes," Sanguinetti explained.

Sanguinetti has been advocating a 3-year national agreement involving the Colorado and Blanco parties, the left-wing Broad Front coalition, and the Civic Union in order to stimulate economic recovery and strengthen the democratic process.

The president guaranteed that his administration "is very solid," but he did not rule out changes if the political pact is not achieved. "I can hardly foresee this today. I would be the end of the process of dialogue, not the beginning," he stated.

This year Sanguinetti was forced twice to resort to the presidential veto provided for in the Constitution to stop a law on rentals and another law on the national budget that had been approved by Congress, where together the opposition parties have a majority.

"The main obstacles in the quest for any political pact are ideological, because with some of the parties we disagree about the concept of the future society," Sanguinetti said.

The president reaffirmed his intention of bringing about "a change in peace, institutional consolidation, and eradication of revanchist feelings," promises that he made during his electoral campaign.

Sanguinetti ruled out any sort of comparison between Uruguay and Argentina regarding the punishment of those who violated human rights. He said: "There is no comparison. In Argentina, there are military officers in prison and Montoneros in prison," while "in Uruguay there are no military men or Tupamaros in prison."

Approximately 25 "missing persons" cases involving certain officers have been reported in Uruguay, and, according to Sanguinetti, the government is waiting for the courts to rule in these cases "as slowly or as speedily as they can."

The president said that "Uruguay has proven it is possible to have full democracy and at the same time to make a transfer of power in an atmosphere of peace, without rifts or bloodshed."

During Sanguinetti's first term in office Uruguay joined the Cartagena Consensus, which groups the 11 most indebted Latin American nations and of which Uruguay holds the temporary secretariat, and the Contadora Support Group. Commenting on the Support Group's role as a peacemaker in Central America, Sanguinetti voiced "optimism."

CP LEADER ARISMENDI VIEWS MEETING IN NICARAGUA

AU261623 Sofia RABOTNICHESKO DELO in Bulgarian 25 Feb 86 p 4

[Bilyana Nikolova article: "In Defense of the Sandinist Revolution"]

[Excerpts] The questions of peace, the growing North American escalation in Central America, and the necessity of specific actions in defense of the Sandinist revolution were the chief subject of the recently closed meeting of political parties from Latin America and the Caribbean area which took place in Managua.

This authoritative forum was convened at the initiative of the FSLN and was attended by 115 political parties from 33 Latin American and Caribbean countries. Its importance is revealed by the fact that 53 of the participating delegations were led by general secretaries and chairmen of the respective political parties.

Rodney Arismendi, general secretary of the Uruguayan Communist Party, who actively participated in the discussions, stressed in a statement for the daily RABOTNICHESKO DELO:

This forum is a successful attempt to join together the forces of the peoples living on this continent in the struggle against Washington's aggressive policy. The United States is trying to suppress Sandinist Nicaragua and defeat the revolutionary movement in El Salvador with military intervention. It is doing everything in its power to foil the movement for independent political and economic development in Latin America. Today we are witnesses of the growing upsurge of the struggles waged by the masses in that area, which is confirmed by the events in Haiti. This is why all Latin American patriots, regardless of their political and ideological differences, should unite their efforts in defending the Sandinist revolution. Today Nicaragua is in the front line, where the right of national independence and social justice on our continent is defended.

The meeting in Managua eloquently confirmed that the efforts of the White House to isolate the Sandinist revolution from the rest of the Latin American countries are doomed to failure. The representatives of the Latin American political parties expressed their profound conviction that in defending the Nicaraguan revolution the peoples of Latin America are asserting their right to choose their own political, economic, and social system, without Washington's interference.

This is why the representatives of most political parties in the area supported the consistent peaceloving foreign policy of the revolutionary Sandinist government and its initiative to restore the bilateral dialogue between Managua and Washington. The aggressive North American actions against Nicaragua and the assistance for the Somoza counterrevolutionaries were categorically denounced.

The participants in the meeting adopted a decision to work for the intensification of the people's mass movement on the continent and to conduct solidarity campaigns with the Sandinist revolution and with the heroic struggle of the people in El Salvador.

The representatives of the political parties in the area did not fail to deal with an important question for the Latin American peoples, the issue of foreign debt, which represents an insurmountable barrier to the path of the development of the countries of our continent. The delegates expressed their full support for the peaceloving activities of the Contadora Group and support for the Lima Group to solve the crisis in Central America through political negotiations. It was stressed that so long as the White House does not stop all aggressive actions against Nicaragua, the signing of an act of peace and cooperation in the area has no meaning.

As Bayardo Arce, deputy coordinator of the Executive Commission of the FSLN, pointed out during his closing speech, the trend for seeking a Latin American solution to the problems in the area without Washington's interference, is increasingly prevailing.

LUSINCHI OPPOSES FOREIGN AID TO REBELS

PA041328 Madrid EFE in Spanish 1209 GMT 4 Mar 86

[Text] Caracas, 3 Mar (EFE) -- Venezuelan President Jaime Lusinchi stated today that "foreign aid to the unconventional forces and insurrectional movements that operate in the Central American countries must cease."

Lusinchi made the statement during a luncheon hosted for Costa Rican President-elect Oscar Arias who is on a 3-day visit to Venezuela.

The Venezuelan president indicated that a sincere consensus on the part of the parties involved is necessary to secure peace in the region and noted that the upcoming summit meeting of Central American presidents will be very important in that endeavor.

Lusinchi insisted that "the Central American crisis must be resolved with Latin American criteria and solutions, preserving the region from interventions nourished by the East-West confrontation."

"I want to add my voice to yours, Mr President-elect of Costa Rica, in rejecting persistent attempts to drag us into a war," said Lusinchi.

He also expressed his congratulations for the agreements reached in Punta del Este by the Contadora and Support Group to create a "civil commission of observation, prevention and inspection at the border between Nicaragua and Costa Rica."

The Venezuelan president also noted that "today, more than ever, it is necessary to dramatically reiterate that we Latin Americans must act and proceed according to the difficult times in which we are living, and pave our way in the world in solidarity."

Further, he referred to the problem of the foreign debt and said that to a great extent it stems "from the unjust structures that characterize the international economic system and the intransigence and lack of understanding of some countries."

He noted that those countries and the international banks are "equally responsible" for the current situation and, therefore, must contribute their share of sacrifice.

SILVA HERZOG: FOREIGN EXCHANGE SHORT $2 BILLION

PA041749 Mexico City XHDF Television Network in Spanish 0300 GMT 4 Mar 86

[Excerpts] Jesus Silva Herzog, secretary of finance and public credit, said today that Mexico will require an additional $2 billion to meet its foreign exchange requirements this year. Here is a report by Claudio Guzman for the "Seven Days" newscast.

[Begin recording] The 1986 budget has margins of flexibility to compensate for $4 billion of the $6 billion that Mexico will fail to receive because of the drop in oil prices. The Finance and Public Credit Secretariat reported that, therefore, the addition foreign financing requirements this year will total $2 billion. To this amount must be added the 4 billion [currency not specified] that Congress has already authorized in order for our country to have the foreign exchange it will require this year.

The Finance Secretariat said that the oil slump will exert a substantial impact on the treasury. Therefore, the 1986 budget deficit foreseen by Congress may increase 3-4 percent. Based on these figures, Mexico insisted before the authorities [not further identified] and international banks on the possibility of obtaining concessions regarding interest rates. It was agreed to continue negotiations in the next few days. The Finance Secretariat made it clear that the possibility of making arrangements for interim credit has not been raised. Talks will be resumed with the IMF to make efforts to obtain eventual financial support. Another possibility that was raised was that Mexico recover the share of the U.S. oil market it had in 1985, without concessions by either side. [end recording]

Comments on Negotiations

FL031653 Mexico City NOTIMEX in Spanish 0035 GMT 2 Mar 86

[Text] Mexico City, 1 Mar (NOTIMEX) -- Secretary of Finance and Public Credit Jesus Silva Herzog today categorically noted that despite the economic problems the country is facing, Mexico is not on a dead-end street. Upon his arrival in Mexico City, after participating in the Cartagena Group meeting in Punta del Este, Uruguay, the Mexican official asserted that undoubtedly the country has several options in dealing with the economic crisis.

Regarding the results of his trip to Washington, where he met with Mexico's creditors, Silva Herzog indicated that the talks were extensive, thus, immediate results could not be expected. He added that negotiations were difficult but he will wait until Monday [3 March] to systematically and thoroughly explain the results of his talks with the IMF and the World Bank. He said these explanations will be given directly to President Miguel de la Madrid Hurtado to clarify any possible doubt regarding the renegotiation of the Mexican foreign debt.

Likewise, he asserted that the measures announced last week by the Mexican president do not have to necessarily cool relations with international banks.

Regarding the death of Swedish Prime Minister Olof Palme, the Mexican official asserted that his death represents a terrible loss to the world inasmuch he occupied an outstanding place in the area of peace and international cooperation.

COUNTRY TO REQUEST $2 BILLION PAYMENT REDUCTION

FL040056 Mexico City NOTIMEX in Spanish 2335 GMT 3 Mar 86

[Text] Mexico will ask the world's banks for a $2 billion reduction in the total interest payments it must make on its foreign debt in 1986, in addition to the reduction

of 1 percent in the interest rate. New York banking sources confirmed this information this afternoon and reported that this request is equivalent to eliminating the profit margin of the world's banks. The week before last, the Mexican Government reported it will negotiate with its creditor banks on continuing to pay within the limits of the country's real capacity to pay. This led New York bankers to suppose Mexico intended to take a stance similar to that of Peru and Nigeria, which have limited their debt payments to a certain percentage of their income from exports.

This afternoon, a spokesman from the Committee of Banks, commenting on the statement of the consensus of the Cartagena Group, which met last weekend in Punta del Este, Uruguay, said that not only Mexico but also Venezuela and perhaps Argentina are getting ready to announce a limitation of payments. Apparently, the spokesman said, these three countries are disappointed with Washington because Washington is not too sympathetic toward their requests. The spokesman also said that last week, during the Washington visit of Mexican Secretary of Finance and Public Credit Jesus Silva Herzog, the Treasury Department offered an emergency aid package that Silva Herzog rejected because Mexico does not want to increase its debt. The negotiations between Mexico and its creditor banks begin next week in New York and, according to observers, will last several weeks.

DE LA MADRID STRESSES IMPORTANCE OF RURAL AREAS

PA040020 Mexico City XHDF Television Network in Spanish 1955 GMT 3 Mar 86

[Excerpt] President Miguel de la Madrid today presented the rural areas as an alternative for Mexico to continue its development in view of the oil price drop. For this reason, the president reiterated his government's determination to continue to support rural areas through stimuli and the periodical revision of guaranteed prices. He closed the ninth yearly assembly of the Small Landholding Confederation [Confederation de la Pequena Propiedad]. During this meeting, the president said that rural areas are a strategic sector for the country and urged the small landholders to join this great battle for the nation and strengthen their organizations.

In addition, Eduardo Pesqueira Olea, secretary for agriculture and water resources, announced a program of stimuli for producers that includes 10 points, the most important of which are the opening for and the promotion of foreign investments in rural areas, flowing credits, the further simplification of administration, the improvement of systems to collect the amounts charged for irrigation water, and the promotion of a barter system. The official said that the direct linkage between rural areas and foreign investments will be effected according to law. For this reason, he rejected the idea of denationalization of the rural areas.

NAVY BEGINS 40 DAYS OF MANEUVERS OFF BOTH COASTS

PA031539 Mexico City XHDF Television Network in Spanish 0130 GMT 2 Mar 86

[Text] The Mexican Navy today began naval maneuvers off both of the country's coasts. The Navy Secretariat reported that the purpose of the maneuvers is to acquaint naval personnel with Mexico's resources. The practical exercises will last 40 days, during which the personnel will receive physical training and instructions on the handling of the Navy's equipment. The exercises are being held at San Luis Carpizo, Campeche, and on Margarita Island, off southern Baja California.

DELVALLE ADDRESSES LEGISLATIVE ASSEMBLY

PA031321 Panama City Domestic Service in Spanish 1713 GMT 1 Mar 86

[Speech by President Eric Arturo Delvalle during the installation of the Legislative Assembly at the Justo Arosemena Legislative Palace -- live]

[Text] Honorable Legislator Camilo Gozaine, president of the Legislative Assembly; Honorable Magistrate Marisol Reyes de Vasquez, president of the Supreme Court of Justice; Ministers and Deputy Ministers of State; Honorable Magistrates of the Supreme Court of Justice; members of the Panamanian Defense Forces staff; Mr Francisco Rodriquez, general comptroller of the republic; Mr Carlos Villalaz, attorney general; Mr Olmedo Sanjur, attorney of the administration; heads of diplomatic missions and international organizations accredited in the Republic of Panama; Directors and Deputy Directors of autonomous and semi-autonomous state agencies; Honorable Vice Presidents of the Legislative Assembly; Honorable Legislators; special guests; journalists; ladies and gentlemen, fellow Panamanians:

It is a great pleasure for me to appear at this honorable Legislative Assembly to obey the constitutional provision and deliver a message about the administration's affairs between 1 March 1985 and today and explain to you my government's strategies to lead the Panamanian nation on the road to progress and to improve our people's social situation.

When I assumed office as president, I said here: I accept the challenge posed by circumstances and destiny. Since that decisive moment, I have not been dismayed for a single moment, nor have I evaded, in any of my actions, the serious and honorable responsibility of leading the country's destiny, governing the nation and leading it to true hope, harmony, and progress. To attain these objectives, I have been forced to change certain policies, propose others, and strengthen those that really respond to our people's deepest aspirations and our nation's best interests.

It has been a constant policy of the government to maintain and develop the broadest possible dialogue with representatives of our country's social forces, appreciate the Panamanian people's feelings throughout our homeland, and strengthen the necessary communication with the members of this honorable chamber in order to coordinate, as well as possible, the executive branch's actions with those of the legislative branch for the good of all national sectors.

I hereby acknowledge the cooperation that the honorable legislators have offered me at all times, which have made our relations fruitful. It has also been the constant policy of my government to lead the public administration in progress so that the state can fulfill its mission of better serving the community. For this reason, emphasis has been laid on the public sector's efficiency and honesty, the speeding up of administrative transactions, and the simplification of business at state agencies. Results have been promising, especially at the offices where matters are transacted that are of interest to and affect the development of productive sectors. This year we will carry out similar actions in other sectors similarly affected.

In addition, we have stressed our willingness to give public employees a general wage law and a dynamic, modern administrative career that acknowledges government officials' stability and promotions on merit and seniority. At the same time, we have pointed out the efforts for qualification, training, and professional development. My government has continued a policy of rationalization of state resources and public expenditures. We will keep and perfect this policy to guarantee more efficient use of our fiscal revenues for the good of taxpayers and the people at large.

Also, the fiscal administration's efforts have been particularly aimed at intensifying actions in the tracking, prevention, and repression of contraband. We carry out our fiscal and financial policy in accordance with the nation's general budget for 1986, which was approved by this honorable chamber before this year began, to provide the state services the nation demands.

Regarding the health sector, we have gradually progressed toward our goal of offering these services to all. As a result, our indicators have remained at levels considered among the continent's best. This permits Panama to be a model country in health matters. Based on a study of the national health network, priority efforts have been initiated for the construction of the San Miguelito Hospital, as an example of my government's willingness to handle the needs of large population centers. Similarly, we will continue the aggressive investment our communities plan to give wells, water, and sewage systems and new health centers; and to improve and expand hospitals and clinics, always with the aim of every Panamanian in all corners of the country having soon modern sanitation facilities and drinking water. In addition, we hereby express our satisfaction that the standard of living of Panama City's population has greatly improved through the expansion of the Chilibre water treatment facility and the operation of the new sanitary dump at Cerro Patacon.

In matters of housing, we will continue to stress -- as we did last year -- housing improvement programs, which have had a great impact on the country, through construction material loans and plots of land. We will follow up with important urban renovation projects and an intensive program of repairing condemned houses in Panama City and Colon. We will continue to regulate the growth of the country's urban centers, such as Las Mananitas; focus attention on areas taken over by squatters; and provide immediate support for families victimized by natural disasters.

This year another 10,000 poor Panamanians will benefit from these programs. My government will continue to make efforts so each Panamanian can have a decent home. In this direction, we vigorously support private enterprise's action which, thanks to the stimuli provided by the new laws and state policies, has launched a great urbanization and housing program for middle and low income sectors of the population.

This government attaches the greatest importance to education. Confronted with huge challenges, we advocate a scientific, humanistic, and democratic education to promote and support changes toward new forms of social and individual life and provide Panamanian citizens with technological and intellectual knowledge which will benefit them and the country, thus making them active agents to promote peace. Education for peace is more than a motto; it is the government's deep purpose as an essential contribution to the educational concept in our hemisphere.

This administration has paid special attention to educational organizations, their infrastructure, equipment, and teaching material, and to the selection and appointment of teachers. This summer we are engaged in a big effort to repair school buildings. On 31 March all public school teachers and professors will be at their posts to teach the more than 500,000 Panamanian students who need their valuable and dedicated services. To face future challenges, the educational sector will vigorously attempt to increase the quality and performance of education with equal opportunities for all the people through a broad, responsible, and serious discussion of educational policy.

Panamanians must be proud of our nationality and the cultural legacy of our ancestors. That is why I intend to undertake vigorous actions to disseminate and strengthen Panamanian culture and heighten our people's spiritual awareness.

The government has undertaken actions through the appropriate government agencies, but financial limitations make it difficult to carry out our intentions fully. I urge the private sector and my country's citizens to contribute more energetically to developing our culture and protecting and exalting our historical past, which nourishes and strengthens our sentiment and identity as a nation and people.

We support the efforts to support our youths, particularly through sports and programs against crime and the use of drugs, as well as the program to protect children, to which the first lady and her dedicated helpers have contributed and will continue to contribute effectively.

The protection of our resources, particularly our environment, is a priority policy of our administration, especially efforts to protect and rehabilitate the river watersheds, among which the Panama Canal watershed is outstanding. To this end I will submit a bill to create the Renewable Natural Resources Institute.

On 29 January I proposed to the nation a plan of guidelines, objectives, and actions to develop Panama. On this occasion, allow me, Honorable Legislators, to reiterate the emphasis on our policy for the country's economic and productive sectors, while stressing the three large-scale, overall objectives of our economic policy: to generate employment and reduce levels of social isolation; to generate employment and reduce levels of social isolation; to create conditions for the self-sustained growth of the Panamanian economy depending mostly on national resources, particularly on the better use of reverted goods; and to maintain the achievements that have already been made in social services as investments in Panama's human capital.

A dispassionate review of our situation, our limited resources, and our true possibilities inevitably leads us to the need to affect a change in attitude, a change to correct the course and promote a spirit of entrepreneurship, creativity, and responsibility. We must be willing to place the general, permanent good beyond individual, transitory gain.

However, this new approach, which the situation is imposing on us, should not interfere at all with Panamanians' basic interests. It should not make us adopt policies totally estranged from reality or from the basic gains made by various sectors in the country, regardless of which sector stands to gain. Above any pressure, my government will enforce respect for the country's dignity and sovereign right to choose its own course, its own destiny. [applause]

Within this framework, I am pleased to announce to you that yesterday the negotiating commission I appointed, after making great efforts, was able to achieve the acceptance in principle by the World Bank's technical mission currently visiting our country of Panama's plan for economic reactivation. They found it technically viable and positive for our nation. [applause] As a Panamanian I feel proud, and I want to record for posterity my gratitude and the public recognition which the negotiating commission has earned for conducting its patriotic and courageous effort while at no time imperiling the country's lofty and sacred interests.

Regarding the state's role in drafting economic policies, I must insist that its direct involvement in productive activities will be gradually diminished, as the conduct of these activities will be the foremost responsibility of private enterprise, including mixed enterprise. Moreover, the state will contribute to the development of economic activities by providing the physical infrastructure, such as roads, highways, communications, ports, and basic services, such as health, education, electricity, water, and telephone.

We have attached priority importance to preserving and maintaining the road network, which covers over 9,700 km, especially the works carried out in Colon, Herrera, Los Santos, and Chiriqui Provinces, and also to making substantial progress on the

implementation of the program of repairing the country's highways and the streets of Panama City and various population centers in the interior. This year we will intensify the maintenance program, especially for the Pan-American Highway, the major one in the country. We intend to better integrate the areas reverted to Panama and to speed up traffic in Panama by building the northern corridor, from Balboa Port to San Miguelito.

We have taken similar steps regarding ports and airports by improving their infrastructure and administrative capacity. This year we will implement the large-scale transshipment of containers in Cristobal Port and begin major modernization works in Balboa port so that these ports can become bigger international sea ports as part of the concept of freight centers, to which we will integrate the Panama Railroad.

Regarding the communications sector, we are making noticeable progress putting into operation a coast station to aid maritime navigation and installing new telephone centrals and lines. In addition, we will continue with the program of installing telephones in rural areas and putting into operation 15 new centrals and 13,000 new telephone lines.

The production of electric energy has adequately met domestic needs, which grew at a rate of 7.1 percent last year. We concluded the first phase of the Edwin Fabrega Hydroelectrical Plant and began preparing for the second phase, consisting of the high dam, which we will begin this year. We implemented the 5-year rural electricity plan to benefit 400 communities. Other achievements during this period include the works to interconnect the electricity system with Costa Rica, which will be completed soon.

In addition to providing infrastructure, our government has striven positively to help farmers produce more and to offer facilities for exports. As an example, the processing of documents for exports, which used to take 8 days, has been reduced to a few hours in 1 day. That exemplary experience should be quickly spread throughout public administration.

I also note the efforts of the official banking sector to support the economic activities and credit it has granted to that end. The National Bank of Panama stands out as an example. Between 31 May and 31 January 1986 it loaned $85.2 million to the private sector for agricultural, livestock, and industrial activities and for commercial and personal consumption, as well as to small businesses. Likewise, in 1985 the National Savings Bank loaned $95 million, the highest figure ever recorded in its 50 years. These two banking institutions have become stronger thanks to more dynamic and efficient administrative work.

Regarding international relations, we have reinforced our foreign policies in permanent defense of the nation's interests, territorial integrity, and the implementation of our sovereignty over all our territory. In our unyielding stance in defense of the nation's interests, we have continually denounced noncompliances with the Torrijos-Carter Treaties, most of which stem from U.S. Law 96-70. In this regard, we will renew our efforts to have that law abrogated and replaced by a law that complies with the letter and spirit of the terms agreed on in those treaties. [applause]

Within the context of our ties with the United States in the Panama Canal, we will continue to strive chiefly to obtain greater Panamanian participation at the top level, that is, technical and executive positions in the Panama Canal Commission to reinforce our policy of Panamanization of [3-second break in transmission] all the work aiming to modernize and adequately maintain the Canal by carrying out indispensible projects, such as expanding the Gaillard Cut. In addition, the national government will actively participate in the commission to study alternatives to the Panama Canal, together with the United States and Japan, which must provide Panamanians with the basic elements of judgment to decide the future of interoceanic communication.

During the period of time we have mentioned, Contadora Group efforts have been made to attain the reestablishment of a stable and lasting peace as well as cooperation for economic and social development in Central America, despite difficulties and snags along the way. The inauguration of the new Guatemalan president gave us the opportunity to talk to the presidents of Central American countries and Colombia regarding the recent Caraballeda Message. We believe it is appropriate to ratify this message. We understand that its success depends on the political commitment of the Central American countries as well as of those countries with interests and ties in this region.

We were greatly pleased to learn that Panama enjoys high international prestige, respect, and esteem among the countries of the world because of our policy of noninterference in the internal matters of other countries and of actively contributing to international peace and harmony. In a world experiencing a deep political, economic, and social crisis, torn by painful conflicts, and threatened by great dangers our nation remains one of the few bastions of peace. All Panamanians have the civic duty to contribute to the unyielding task of maintaining an environment of tranquillity and order in the country, an indispensible premise for the nation to strive hard to forge the future.

The Panamanian Defense Forces have striven toward that goal with efficiency and special devotion. However, they have become unfairly the constant target of those who want to weaken us to gain for themselves the right to rule, which they must earn only at the ballot box. That institution is the basic stronghold of the nation's security and the enforcer of the Constitution and the law. It is largely in charge of maintaining the social peace we all want to maintain. As an organization it deserves the consideration and respect due all state institutions. Do not allow legitimate and well-intentioned criticism, meant to draw attention to mistakes, become so passionate that it only feeds hatreds and resentments in a society of brothers, as the Panamanian nation should be.

Honorable Legislators: You, legitimate representatives of the legislative power making up this solemn chamber, which is the free and constitutional stage for national debates, constitute a cornerstone of our democratic system, a system which I respectfully and responsibly swore to maintain before you. Yesterday and tomorrow you have had and will have the huge responsibility of being a crucible of ideas and bills. When made into law, these are the basis of and legal guide to the government's actions. In addition to the bills which you must currently review, we will shortly introduce bills that involve major sectors of our national life. I trust that, beyond the free play of ideas and political differences, the calm judgment of patriotic action will prevail to give to the republic the rules that may best meet legitimate needs for the sake of a bright future for its children. We cannot demand sacrifices from the country that we are unwilling to make ourselves. We cannot reap tomorrow what we are unwilling to sow today. We have no rights to demand if we do not reinforce them today. Let us always gaze solely at the fatherland, but never with petty ambition, which only runs over with base passions.

Panama faces a promising future to build that which will ensure for its citizens a climate of progress, welfare, and liberty. The effort to attain it and maintain it depends on the men of today and tomorrow. Thank you. [applause]

LABOR MINISTER DEFENDS PLANNED MEASURES

PA043004 Panama City MATUTINO in Spanish 3 Mar 86 p 9

[Open letter from Panamanian Labor and Social Welfare Minister Jorge Federico Lee to the National Council of Organized Workers, Conato, dated 3 March]

[Text] Messrs leaders of the Conato: The entire country has received with great concern the announcement that the Conato will call a general strike for an indefinite period if there is discussion of the approval of the bill that we recently presented to you and through which labor measures aimed at stimulating the creation of new jobs and the increase of productivity would be adopted.

Some communications media have published a statement attributed to the labor and social welfare minister to the effect that such a bill "will be approved with or without a general strike." The undersigned has not made such a statement. This shows that all Panamanians are intensely concerned about the way in which the national government and the Conato understand the economic problem that affects a good part of our fellow citizens and whose most concrete effect is increasing unemployment, whose victims currently include approximately 84,000 Panamanians, mostly youths between 15 and 24 years old.

The proposed measures do not harm trade union achievements nor the system of collective onctracts that the Labor and Social Welfare Ministry has so earnestly stimulated. They do not introduce new or peculiar elements in the Labor Code. On the contrary, it is an effort to have some provisions ofour code be truly effective, thus fulfilling the objectives for which they were established, instead of continuing to be merely ideal norms without any practical results. We honestly believe that this bill is beneficial because it seeks to:

1. Permit the great majority of our workers, in other words, those not covered by collective contracts, to increase their income through productivity awards and bonuses.

2. Stimulate the creation of new jobs for our youths and promote reinvestment to maintain existing jobs. If we wait too long, the problem will become so big that we will be unable to resolve it even if we wanted to.

3. Allow the people who for some reason cannot leave their homes, such as housewifes, to supplement their family income through work in the home.

4. Allow the rulings of the Conciliation and Decision Boards to be reviewed by the Supreme Court to guarantee better labor justice.

In short, we want to give hope to workers who do not have the benefits of a collective contract and to our fellow countrymen who are unemployed or underemployed. We are sure that you also share this wish because you are good Panamanians. We know well that the labor leaders of our country are capable of understanding the magnitude of the problem and the need to resolve it. If we share that same patriotic spirit, the logical thing would be for us to join efforts, because we must be allies in the permanent struggle to improve the living conditions of our people. That is why we would like at this time to count on your contribution through concrete observations that you would be so kind as to make and that all Panamanians are eagerly awaiting. Frank and sincere communication is always the best path to erase doubts and find solutions.

Cordially, Jorge Federico Lee, Labor and Social Welfare Minister, Panama, 3 March 1986

COSTA RICA

'THREATS' PREVENT CARDINAL OBANDO Y BRAVO VISIT

PA050047 San Jose Radio Impacto in Spanish 1830 GMT 4 Mar 86

[Text] Cardinal Miguel Obando y Bravo will not visit Costa Rica in view of the serious threats made against him by Sandinist Foreign Minister Miguel D'Escoto.

Obando y Bravo had been invited by the Pro-Democracy Association Aprodem to receive the Central American of the Year Prize in San Jose this month.

This newscast has unofficially learned that in order to prevent unpredictable consequences in Nicaragua, ecclesiastical authorities asked Cardinal Obando y Bravo not to travel to Costa Rica.

In addition, Costa Rican political observers believe that Cardinal Obando y Bravo's physical safety is at risk at this moment, due to the tone and implications contained in the threats made by Foreign Minister Miguel D'Escoto, who told him not to dare visit Costa Rica to conduct actions against the Sandinists.

AUTHORITIES REPORT EPS FORAYS IN BORDER AREA

PA050027 San Jose LA PRENSA LIBRE in Spanish 21 Feb 86 p 9

[By Benigno Quesada]

[Text] Groups of armed outlaws, some of them wearing olive green clothes, have been attacking and killing peasants near the Nicaraguan border. Several corpses have been found. Most of them are Nicaraguans who were trying to enter Costa Rica.

According to some of the people of the area, the outlaws are armed groups that are trying to eliminate each other. The reports also say that these groups cross the San Juan River from Nicaragua and kidnap and kill their countrymen, as in the case of a family named Castro Lopez that disappeared from their house on 9 February and whose whereabouts are still unknown. The disappearance of the Castro Lopez family was reported as a kidnapping because three armed men wearing olive green uniforms forced them to return to Nicaragua, while they were at the ranch of a Costa Rican citizen in Curena de Cutris, 100 meters from the Sandinist bases of La Penca and Reloj.

The situation in this area is becoming like that of Los Chiles, Guatuso and San Carlos, where in 2 years armed groups have killed more than 10 people.

It was reported that members of the Civil Guard and of the Rural Assistance Guard of Boca de San Carlos have seen people apparently in uniform, crossing from Nicaragua to Costa Rica from the Nicaraguan bases of La Penca and Reloj, which are under the control of the Sandinist People's Army [EPS]. It is on these occasions that the Costa Ricans are obliged to shoot, to protect our border area, as they have been ordered.

Another problem that has appeared in the last months is that farmers, primarily ranchers, are abandoning their lands since they are constantly losing their cattle, which are later found butchered. The same is true of pigs, chickens, and other domestic animals. The outlaws also plunder uninhabited houses.

Miguel Angel Lopez, the chief of the Rural Assistance Guard post of Boca de San Carlos, who has been a government employee in that area for 30 years and is about to retire, told this correspondent that the recent agreements reached to solve the problems between Costa Rica and Nicaragua have not been applied by the group of Sandinists located on the Nicaraguan side of the border, because they do not respect anything. The top chiefs are one thing and the soldiers are another.

The Sandinists in the border area have probably not been ordered to enter Costa Rica, but since they are people with very little education and are provided with powerful weapons that are superior to the ones used by the Rural Guard, they enter Costa Rica looking for something, and if people stand up to them or refuse to do what they want quarrels start that usually end in death.

Another big problem is that Costa Ricans do not sail on the waters of the San Juan River because the Sandinists do not respect anyone. Any boat passing by Las Tiricias, La Cooperative, Las Crucitas, Chamorrito, Boca de San Carlos, Boca de Sarapiqui, and even Barra del Colorado, which is 200 km long, is strafed by the Sandinists.

In addition, Nicaraguan peasants who try to cross the river to visit nearby farms are strafed in their boats when they are in the middle of the river. Thus, 2 months ago, the Boca de Sarapiqui Civil Guard reported the deaths of two Sandinists soldiers who tried to desert from the Army and were killed by their own comrades-in-arms on the San Juan River.

In view of all these irregularities, Costa Rican authorities in the area try to protect anyone who is in Costa Rican territory and are investigating recent kidnappings and deaths, mainly of Nicaraguans who are killed by the bullets of their own countrymen, as we reported at the beginning of this article.

URBINA VIEWS ARIAS REMARKS ON U.S. CONTRA AID

PA022313 San Jose LA PRENSA LIBRE in Spanish 22 Feb 86 p 8

[Text] Jorge Urbina, former deputy foreign minister, said yesterday that as a National Liberation Party leader and as President-elect Oscar Arias' representative to the Contadora Group, he agrees with Oscar Arias, that U.S. aid to Nicaraguan rebels is not an element favorable to peace in the region.

On the contrary, according to Urbina, that aid is increasing area tension. He added that "therefore, it seems logical to me to suggest the suspension of that aid and that Cuba and Nicaragua should definitely do the same."

The Contadora Group should definitely be the one to suggest such agreements, as well as a dialogue similar to the one it held with the U.S. Government, because negotiations are necessary not only to stop U.S. aid to the rebels, but for Cuba to stop the similar type of aid it is giving to the Sandinists.

Regarding the president-elect's statements last night, in which he said that the only solution to the Central American conflict is for the Latin American countries to force Nicaragua to sit down to negotiate with the opposition and that Reagan's military aid to the resistance in that country has only strengthened the Sandinist regime, Urbina explained that it was not a criticism of U.S. policy but a different viewpoint on solutions to the conflict.

He added that for Ronald Reagan, the rebels are freedom fighters, but for Oscar Arias, they are people who are increasing tensions in the region, disregarding the fact that they have a legitimate cause.

When asked if Arias' opinion could affect relations between the United States and Costa Rica, Urbina said "I sincerely hope it does not."

Urbina added that these statements will be discussed with U.S. Government officials. These discussions should include the commitments acquired by the Sandinists since 1979 on behalf of national reconciliation and democracy.

On the other hand, Urbina said that he does not believe that U.S. economic aid to Costa Rica is conditioned on sharing U.S. policy and views on Central America. Urbina said the economic aid is part of the solidarity among democracies and is evidence of the U.S. desire to show that in Central America there is a people, the Costa Rican people, who can solve the economic crisis and political differences within democracy and tolerance. Urbina reiterated his agreement with President-elect Arias that the only solution to the Central American conflict is a political solution and not a military solution.

EDITORIAL CRITICIZES REAGAN REGIONAL POLICY

PA280202 San Jose LIBERTAD REVOLUCIONARIA in Spanish 14-20 Feb 86 p 4

[Editorial: "Costa Rica: Reagan's Model"]

[Text] In his congratulatory note to President-elect Oscar Arias, Reagan and his advisers have said that "Costa Rica is the model of constitutional democracy we aim to see" in Central America.

Reagan is determined to implement the decisions of the monopolist group he represents, imposing his "model" in Central America even if this implies that he has to devastate it.

Reagan has asked for $100 million to support the army he has launched against Nicaragua with the pretext of imposing his "democracy."

He has not yet sent U.S. troops, because they are too expensive -- very expensive in terms of money and very expensive from the political point of view.

The U.S. people have become aware in the past few years, especially after the Vietnam defeat, that they have nothing to gain from sending their youth to die on some beach somewhere in the world carrying out the sacred will of the monopolist circles. Some of those people, however, can be convinced to agree to the financing of mercenary armies, such as the one that attacks from Costa Rica.

Thus, Reagan is determined to finance a war and carry out a gigantic slaughter in Nicaragua just so he can impose a style of government like the one in Costa Rica. What does that model consist of? Mr Reagan would be satisfied with having the bourgeoisie rule, one way or another, even if there are no elections.

However, if it can be done with elections and hullaballoo, all the better, and if some of the rights that disguise the system's image can be maintained, without jeopardizing the bourgeoisie's power, all the better, but that is not essential.

Oscar Arias will visit Central America, avoiding Nicaragua. That is, he will visit those countries where the Reagan-style "democracy" is shining.

According to the Yankee definitions, which are also Arias', there is no democracy in Nicaragua because the bourgeoisie no longer makes the rules of the game.

For the Yankees and for Arias there is no "democracy" in Nicaragua, the only nation where the people have real power, as has been verified by visitors from all over the world.

Our governments not only do not want to be contaminated by that democracy, they have also held secret meetings with other Reagan-style "democracies" to establish a common front against Nicaragua.

Oscar Arias, who won with a slogan of peace, will now have his first meeting with the infamous regimes of northern Central America, especially with Honduras and El Salvador, despotic governments repudiated by the world's conscience, but which, like the one in Costa Rica, are pleasing to the Reagan advisers.

Everything points in the same direction as before: Reagan's mercenary army continues operating in our country, and the president-elect again disregards Nicaragua to reach agreements with other participants in the war against Nicaragua; that is, Honduras and El Salvador, because so far the only nation that maintains a more or less neutral stance is Guatemala.

Reagan remains determined to raze Nicaragua to impose his will, with the complicity of these "democracies" that are subsidized with his dollars.

COMMERCIAL TIES WITH PANAMA DECLINE RECENTLY

PA031242 San Jose LA REPUBLICA in Spanish 25 Feb 86 p 3

[Text] A deterioration in commercial relations between Costa Rica and Panama has been noticed recently, following the latter's unilateral decision to restrict imports of Costa Rican products. Economy and Commerce Minister Odalier Villalobos said that the Panamanian decision has puzzled everyone, given the good economic and commercial relations that have always existed between Costa Rica and Panama.

Panama has toughened its position concerning the imports of products that have been sold quite freely for many years. This includes $1 million worth of meat products, which Costa Rica exports to that country every year.

The Panamanian authorities' restrictive attitude was evident in the unilateral decision to curb the imports of our national products without waiting for the completion of all actions and procedures foreseen in the bilateral contract for free trade which is still in effect. The agreement states that a meeting of the mixed commerce commission must be convoked before any restrictive measure is adopted.

Panama has failed to fulfill these procedures and stopped shipments from the Cinta Azul Company, for example.

Villalobos reported that he will go to Panama next week to meet with his counterpart, Minister Jose Bernardo Cardenas, to ask the reasons for the Panamanian authorities' attitude and see if it is possible to seek a solution to the problem.

The Panamanians have argued that they have problems with competition, but it is believed that the main problem is the high -- $15 million -- commercial balance in favor of Costa Rica.

EL SALVADOR

DUARTE PROPOSES NEW REGIONAL PEACE PLAN

PA050046 Bogota Television Service in Spanish 0000 GMT 5 Mar 86

[Text] A last minute report reveals that a few minutes ago Salvadoran President Jose Napoleon Duarte proposed a new peace plan for Central America. The proposal contains three points: dialogue between the Governments of Nicaragua and El Salvador with the rebel groups of their respective countries; a meeting of all area presidents; and the creation of a Central American parliament. The idea, he noted, is that we Central Americans solve our own problems.

Further on Proposal

PA050204 Hamburg DPA in Spanish 0040 GMT 5 Mar 86

[Excerpt] San Salvador, 4 Mar (DPA) -- This afternoon, sources close to the Salvadoran Presidency stated that President Jose Napoleon Duarte will propose to his Nicaraguan counterpart that they hold a simultaneous meeting with the rebels from the two countries to seek a solution to their respective domestic crises.

According to the Salvadoran president, this is a new peace plan for the region that would basically seek a dialogue with rebel leaders from the two countries, a meeting of Central American presidents, and the creation of a Central American parliament, the sources stated.

The Nicaraguan president has not formally received the proposal, although Duarte issued it publicly in San Salvador during a preview of what he will seriously propose to the Nicaraguan head of state.

According to Duarte's statement, he is prepared to meet with FDR-FMLN delegates at an appointed site, while Ortega meets simultaneously with his adversaries.

Moreover, commenting on his policies towards Nicaragua, Duarte denied that the Ilopango military base, located close to the Salvadoran capital, is being used to send weapons to Nicaraguan rebels.

Duarte made these surprise statements in this capital this afternoon, as a wave of protests continued over the new economic measures decreed at the end of January, which include a number of taxes that allows the treasury to overcome a deficit of 800 million colones ($150.2 million).

Duarte stated that those measures had not decreased the popularity of his government as some sectors are charging, and that the measures are aimed at benefiting most of the people while adversely affecting only a small number.

VICE PRESIDENT DISCUSSES OBJECTIVES OF RECENT TRIP

PA040447 San Salvador Radio Cadena YSU in Spanish 1800 GMT 28 Feb 86

[Text] Rodolfo Antonio Castillo Claramount, vice president of the Republic and minister of foreign affairs, held a press conference this morning to report on the various activities he carried out during a tour through Colombia, Mexico, and Venezuela; and to discuss other important topics. Francisco Espinoza filed the following report:

[Begin recording] [Espinoza] Vice President and Foreign Minister Rodolfo Antonio Castillo Claramount disclosed today the reason for his tour through Colombia, Venezuela, and Mexico. Stating the goals and achievements of his trip, he said the following:

[Castillo] The reason for my tour through Colombia and Venezuela for official visits, and where I was able to talk personally with the presidents and foreign ministers -- President Betancur and Foreign Minister Ramirez Ocampo in Bogota, and President Lusinchi and Foreign Minister Consalvi in Caracas -- was to achieve a basic goal: the achievement of an agreement to support the initiative El Salvador is carrying out in Geneva during the 42nd UN meeting on human rights. We requested Colombia's support and asked Venezuela to cosponsor a draft resolution that El Salvador has officially presented in Geneva.

We obtained these two things. President Lusinchi clearly and specifically adopted the decision to support and cosponsor the Salvadoran initiative. The actions carried out in these countries had already been carried out at the Central American and continental levels -- and in many European countries, of course. A request was issued in a personal letter from President Duarte to the heads of state, asking them to support this effort concerning human rights. Why is this effort being exerted? This effort is being exerted so El Salvador can achieve two things: first, a democratic government that is freely and democratically elected. This fact is unquestionable and has been recognized worldwide. Second, the policy on human rights strongly advocated by President Duarte's government and has become a priority goald in our country, is an obvious fact, and this has been recognized even in the resolution issued at the United Nations last year. This effort is more clearly evident in the feeling of security that the Salvadoran people, and all the social groups, currently experience in the country.

[Espinoza] The foreign minister referred to Mexico and its interference concerning the human rights issue in El Salvador, as follows:

[Castillo] A really unusual event has taken place; it has taken us by surprise and initially provoked some confusion. It has also provoked -- why shouldn't we say it -- some sadness among us. I am talking about the draft resolution presented by Mexico, which treats us in a harsh way without recognizing even the most minimum effort exerted by El Salvador in this concern; it even disregards the UN resolution issued last year that refers to us as if we were a totalitarian country without a democratic government, forgetting that President Duarte is a man who is advocating and risking all his prestige to democratize the Salvadoran society; which recognizes absolutely nothing, treating us in a harsh, unfriendly way.

Mexico presented this draft resolution that even includes concepts that clearly interfere in El Salvador's internal affairs. Mexico is a country that has practically turned the principle of nonintervention into a doctrine and exerts its efforts in this concern. Mexico's diplomatic background has turned it into a champion of the non-intervention, but we now see that it has presented a draft resolution in which it clearly intervenes in El Salvador's internal affairs. We do not comprehend, we do not understand what is happening. We feel that we do not deserve such treatment. It is not possible..[changes thought] we cannot conceive how a Contadora country exerting its efforts for a dialogue and the achievement of peace in Central America, can treat El Salvador this way.

In addition, Mexico carefully avoids touching Nicaragua.

It does not mention the abuses and human rights violations in Nicaragua, and Nicaragua is a totalitarian regime, there is no doubt about this. However, let us put this matter aside. We must not discuss our reaction of sadness and confusion and compare our situation with the one prevailing in Nicaragua. They could not care less about this; to each his own sympathies and loyalties. However, we are concerned about and do reject the unjust treatment they show us in that draft resolution.

[Espinoza] The foreign minister added that Salvadoran Government is analyzing the document and will take the appropriate action. A message has been sent to our mission in Geneva, giving it instructions on the actions to take concerning the case that has surprised everyone. [end recording]

VENCEREMOS ON INCURSION BY HONDURAN PATROL

PA050024 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 2 Mar 86

[Text] Attention, pay close attention to the report Radio Venceremos has just received. A Honduran Army unit entered Salvadoran territory. Pay close attention. Here is the report: On the afternoon of 27 February a Honduran Army patrol penetrated 1.5 km into Salvadoran territory through (Picahuite) village, San Diego canton. Approximately 20 soldiers were in that Honduran Army patrol that violated our territory by penetrating 1.5 km through (Picahuite) village, San Diego canton, Morazan Department.

Once again, the Honduran Army forces are violating Salvadoran territory, at the same time U.S. warmongering troops are conducting different maneuvers in Honduras to attack our Central American peoples. Once again, we reiterate that we will know how to defend our nation's territory in the face of constant [words indistinct] invading army. The Honduran Army incursion into our territory takes place shortly after we reported that U.S. helicopters have been transporting troops in Colomoncagua. These troops include U.S. Army personnel. This is the report we received from the area where the one Honduran Army unit penetrated on 28 February [date as heard].

GUATEMALA

COMMON CRIME WAVE MAKES CAPITAL 'DANGEROUS CITY'

PA031811 Hamburg DPA in Spanish 2101 GMT 2 Mar 86

[Text] Guatemala City, 2 Mar (DPA) -- Murder, robbery, and other criminal activities this weekend rocked this capital, which in the past few days has again become a dangerous city because of the wave of common crimes that the police cannot control.

A watchman at a business 100 meters from the Government Palace, in the capital's downtown, was murdered by three vagrants, and a businessman travelling through Antigua Guatemala (a city 45 km from the capital) was kidnapped, tortured, and murdered.

The newspapers point out the fact that the assassins broke the fingers of the businessmen's hands, poured acid on his head, and finally gave him the coup de grace.

The media has also reported that many vehicles are stolen every day by armed people. A trailer loaded with coffee was attacked and robbed this weekend. The police have been intensifying their activities and there have been hand-to-hand fights between them and the car-thieves.

The origin of the crime wave -- which was intensified in recent weeks -- has been attributed to the scarcity of policemen protecting the city and to increased unemployment, which results from the economic crisis and the migration of peasants to the capital, a situation that has created social tension because of the lack of jobs and housing.

It is also believed that the crime rate has increased because of the arms-possession problem produced by past governments that authorized alleged policemen, bodyguards of politicians, and groups to possess arms. Now these people have become enemies of society.

HONDURAS

SALVADORAN OFFICIAL COMMENTS ON BORDER DISPUTE

PA041838 San Pedro Sula LA PRENSA in Spanish 28 Feb 86 p 3

[All quotation marks as published]

[Text] Tegucigalpa -- Salvadoran Deputy Foreign Minister Ricardo Acevedo Peralta has described as very subjective the claim that the Salvadoran guerrillas occupation of areas involved in controversies with Honduras will be used as an agrument during the trial on the border issue at the International Court of Justice. The Salvadoran diplomat reaffirmed that Honduras and El Salvador could even go to China to discuss their border problem because "I do not think there is any legal impediment for this, including the possibility of accelerating an agreement to go before The Hague."

Giving assurance that "we are fulfilling the general peace treaty," Acevedo Peralta attributed to mere chance a recent meeting that took place in Mexico between [Honduran] Foreign Secretary Carlos Lopez Contreras and [Salvadoran Foreign Minister] Rodolfo Castillo Claramount.

The Salvadoran deputy foreign minister recalled that we have people in and jurisdiction of some disputed areas." He added that this is maintained because the peace treaty established the maintainance of the "statute" ["estatuto"] [not further identified] in such areas. He pointed out that in addition to its possession right, El Salvador has other evidence that it can present in the litigation such as the uti possidetis, common land and colonial titles, and other legal documents. The diplomat added: During Lopez Contreras' visit to San Salvador on 11 February, "he told me that it is necessary to close (define) the border to them reopen it." Acevedo Peralta said that the two countries pursue "objectives that go way beyond an authentic democracy."

After saying that he hopes the agreement will go before The Hague but "will not have ill-fated publicity consequences for the two countries, Acevedo Peralta said that his presence in Honduras for negotiations indicates "our interest and good will in solving the problem."

GEN REGALADO ON CONTRAS, AID, DISAPPEARANCES

PA041541 San Pedro Sula TIEMPO in Spanish 3 Mar 86 p 20

[All quotation marks as published]

[Text] Puerto Cortes -- Brigade General Humberto Regalado Hernandez, the new Armed Forces commander, said here yesterday that the problem involving Nicaraguan "contras" is rooted in a specific situation taking place in the Republic of Nicaragua; we Hondurans must try to eliminate this conflict in order to make the "contras" disappear as well.

As for efforts being made by President Reagan to have the Congress approve $100 million in military aid for the "contras," Regalado Hernandez said that he cannot give an opinion regarding this issue because it is an initiative pertaining to a sovereign country that will make its own decision. Asked whether he will take measures against those involved in more than 100 disappearances of people in his capacity as new leader of the Armed Forces, the officer replied: "I already gave my opinion on that issue. It happens that I was member of a commission that carried out investigations, prepared a report, and presented it to the president of the Republic."

As for the position of the Armed Forces, Gen Regalado Hernandez pointed out: We ask any person holding any evidence and involved in the problem of the missing to please appear before the appropriate courts; the Armed Forces will turn over to those courts people who might be involved in this problem." In addition, Regalado Hernandez described as a farce a charge that the U.S. Army is spraying the so-called "yellow rain" in our country as part of lethal chemical experiments.

"The claim of the so-called 'yellow rain' is a farce." It is nothing more than an epidemic in those villages commonly known as 'scabies,'" he said, after adding that following reports on this, he appointed a commission to investigate it. Regalado Hernandez added that the commission gathered statements made by residents and health authorities of the area, but we have not been able to confirm or have had someone confirm for us that a plane has been seen spraying the so-called 'yellow rain.'"

As for the publicized disappearance of the National Investigation Department (DNI), the military leader said that "the Public Security Force FUSEP General Staff is already drafting recommendations to be presented to the FUSEP General Command and the Armed Forces commander in chief on how to restructure or just do something; not with the idea of "making the DNI disappear, but to turn that police force into a guarantee for honest citizens who should not fear that authority if they are respecting the law."

Finally, when the new Armed Forces leader was asked whether he, as leader of that armed institution, would have staged a coup d'etat in the face of the political crisis experienced by the country in March and April 1985, he categorically replied: "Actually no, because the new goal of the Armed Forces is to strengthen the democratic system, because we believe that it is the way of life that Hondurans want."

"At that time, I was a member of several commissions, and our position was to bring about a consensus between the conflicting sides; we finally achieved that objective, because the success of that effort was reflected in democratic elections held by Hondurans in which President Azcona was elected."

REGALADO ON 'CABANAS 86,' CONTRA PRESENCE

PA041744 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 4 Mar 86

[Interview with General Humberto Regalado Hernandez by Reporter Miriam Mercado in Mocoron, Gracias a Dios Department, on 3 March -- recorded]

[Text] [Mercado] During the "Cabanas 86" maneuvers, which began yesterday in Mocoron with the [construction] of a landing strip by the U.S. Army, the present chief of the Armed Forces told reporters the following:

[Regalado] As an Armed Forces, we are interested in developing this area which, as you can see, is barren. This is a nice opportunity for us to integrate Las Mosquita, which needs to be united with the mainland.

[Mercado] It has been said that when General Walter Lopez Reyes was chief of the Armed Forces he was opposed to the contras' presence in Honduran territory. What is the new Armed Forces commander's position?

[Regalado] Who are these contra elements against? Against the Sandinists or against the democratic system in El Salvador? Both are contra groups. The difference is that one group is against a system elected by the Salvadoran people, and the other is against the communist regime in Nicaragua.

[Mercado] What is the general attitude of the new Armed Forces chief at this time?

[Regalado] We must see how the internal problem in Nicaragua can be made to disappear because of the internal problem disappears, the contras will also disappear.

[Mercado] Does this means that if the Sandinist system does not disappear, we -- the Hondurans -- will keep the contras?

[Regalado] I do not know. You all know the truth better than I. I view this contra issue as a myth, as something that I cannot really get to the bottom of. We have an extensive border. You have flown over this area [not further specified] which is small in comparison with the extensive border we share with Nicaragua. If you can recall, during Somoza's regime the same men who are now in Nicaragua also infiltrated our territory. We do not have the capacity to maintain sufficient forces to guard the entire Honduran border.

[Mercado] Imagine the contras are in Nicaragua and that the United States wants to use Honduras to send materiel to them. Will the Armed Forces prevent the contras from receiving materiel through Honduras?

[Regalado] The fact is that Honduran policy has been clearly stated. In Honduras, international policy will not serve as a trampoline to invade any other country.

NICARAGUA ENVOY CONCERNED OVER U.S. MANEUVERS

PA041736 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 4 Mar 86

[Text] Tensions between Honduras and Nicaragua have diminished with President Azcona Hoyo's ascent to power, although carrying out joint military maneuvers with the United States, such as those initiated yesterday, are another element of tension, Danilo Abud Vivas, Nicaraguan ambassador to Honduras, said yesterday.

The Nicaraguan diplomat made these statements when he was leaving the Honduran Foreign Ministry, where he met with lawyer Roberto Suazo Tome, to whom he presented the draft of the Nicaraguan constitution, which was recently approved by the Nicaraguan National Constituent Assembly.

With Azcona's ascent to power, and as a result of his peace policies favoring a dialogue, we have noted a decrease in the tone of the messages our countries have exchanged and in our mutual accusations, because Azcona has evidently contributed to lessening tension.

We have great expectations, and we are maintaining them so that we can continue improving bilateral relations, based upon the principles that President Azcona mentioned as part of his foreign policy, Abud Vivas said.

Nevertheless, Abud Vivas expressed concern over military maneuvers with the United States, such as "Cabanas 86," because the United States continues to verbally support Contadora, but its actions do not fit in with what it says. We are concerned over these maneuvers because they are an element of tension in the area, and they do not in any way contribute to lessening tension. We feel that at any time there could be more than 4,500 U.S. troops here, including troops from the 82d Airborne Division, which invaded Grenada, the Nicaraguan ambassador said.

Abud Vivas added that steps are still being taken and conditions created for a possible U.S. invasion of Nicaragua, which forces Nicaragua to adopt preventive measures.

YELLOW RAIN CHARGES LINKED TO USSR 'CONNECTION'

PA042208 Tegucigalpa EL HERALDO in Spanish 3 Mar 86 p 9

[Editorial: "Yellow Rain and the Soviet Connection in Honduras"]

[Excerpts] In response to reporters' questions, General Humberto Regalado Hernandez, commander in chief of the Honduran Armed Forces, has said that ulcers seen on the skin of compatriots residing in towns near San Pedro Sula are the product of a contagious disease known since biblical times as "scabies," and not the result of chemical gases dropped from unidentified aircraft on evening flights.

The statement by the military leader is based on investigations carried out by the military institution itself in areas affected by this contagious disease.

Military investigations coincide with state and professional private reports adequately confirming that the cause of this disease is scabies acarus and other species and that evening flights by unidentified aircraft leaving behind a shiny yellow trail is literally impossible, because the area is under the control of the Honduran Air Force (FAH). This institution uses modern radar, and its defense flotilla carries out strict reconnaissance and vigilance operations, which makes this kind of covert action impossible.

The description of mysterious flights and stories about the fatal consequences they leave behind have the deliberate aim of blaming them on U.S. military detachments in Honduras, who today are beginning the "General Terencio Sierra" military exercises.

Another possibility is that the USSR, via Cuba and Nicaragua, is using sophisticated methods to implement this kind of inhuman, barbaric, and cruel program that can be blamed on the power to the north, that is the United States, which is allied through a political-military agreement with Honduras, a country facing communist expansionism in the Central American area.

The presence of "yellow rain" in our homeland was ruled out, but there is evidence that the local fifth column [quinta pluma] is carrying out disinformation campaigns ordered by the Soviet connection in Tegucigalpa, whose interests are unofficially represented by the diplomatic representative that the international Marxist movements has in the Central American region, that is the Nicaraguan Government.

NICARAGUA

PRESIDENT ORTEGA MAY ATTEND PALME'S FUNERAL

PA040408 Managua Radio Sandino in Spanish 0000 GMT 4 Mar 86

[Text] President Daniel Ortega might travel to Stockholm in the next few days to attend the funeral of assassinated Swedish Prime Minister Olof Palme, Vice President Sergio Ramirez Mercado said today.

Ramirez Mercado today expressed his condolences to the European mission accreditted in Managua, stating that Palme's death represents the loss of a great friend of Nicaragua, of peace, and democracy.

Palme's funeral has been scheduled for 15 March. However, the details for the ceremony will be decided in the next few hours by Palme's relatives and the Social Democratic Party.

REAGAN MEETS CONTRA LEADERS IN WASHINGTON

PA040249 Managua Radio Sandino in Spanish 0000 GMT 4 Mar 86

[Text] In another action reflecting his irresponsible warmongering policy, U.S. President Ronald Reagan met in Washington with Nicaraguan counterrevolutionary leaders today. He expressed his optimism and confidence in obtaining from the U.S. Congress $100 million in aid for his champions -- as he calls them -- despite the expected opposition in the House of Representatives.

We will do the impossible to get the $70 million for military aid and the $30 million for humanitarian aid, Reagan said during his meeting at the White House with Arturo Cruz, Adolfo Calero, and Alfonso Robelo.

Congress is aware of the fact that rejection on its part of this aid would place Nicaragua permanently in hands of the communist bloc, the U.S. President said. Today, more than ever, the Senate and the House of Representatives must show if they are as interested in saving democracy in Nicaragua as they were in the case of the Philippines, Reagan added.

SHULTZ CONTINUES CAMPAIGN FOR CONTRA AID

PA041412 Managua Radio Sandino in Spanish 1200 GMT 4 Mar 86

[Text] In a new effort to get $100 million from Congress to continue financing the Nicaraguan counterrevolutionaries, the U.S. State Department has launched in Washington a campaign to depict Nicaragua as a world threat.

U.S. Secretary of State George Shultz, in his [words indistinct] campaign against Nicaragua before the Veterans of Foreign Wars, openly justified the warmongering policy of the Reagan administration, insisting on the imperative need to escalate the armed conflict for the sake of the security of the United States as an international power.

As usual, the official reiterated a series of lies against the people's Sandinist revolution and once more urged the Congress to support the counterrevolution. At the same time, he expressed fears that the contras may be defeated if they lack economic support during this new period.

ARCE ACTIVITIES AT CPSU CONGRESS IN MOSCOW

Meets World Figures

PA040038 Managua International Service in Spanish 0000 GMT 2 Mar 86

[Text] Bayardo Arce Castano, coordinator of the FSLN Executive Commission, and commander of the revolution has held a large number of meetings with prominent figures who are attending the 27th CPSU Congress.

Among the politicians with whom Commander Arce Castano has met are: Cuban President Fidel Castro, Angolan President Eduardo Dos Santos and (Martin Van Traa) Labour Party official for international affairs of the Netherlands.

Today is the 5th day of debates at the CPSU Congress, and even though the Latin American situation has not been analyzed as yet, U.S. policy toward Central America has been criticized in some of the speeches.

Notes Main Tasks

PA041436 Managua Radio Sandino in Spanish 1200 GMT 4 Mar 86

[Text] Nicaragua's main task is to defend revolutionary power, and our people are preparing to withstand even direct intervention by the United States, Commander of the Revolution Bayardo Arce Castano stated in Moscow.

The deputy coordinator of the Executive Committee of the FSLN Directorate said that we will never agree to negotiations that mean capitulating to the U.S. Government's meddlesome intentions and efforts to exert hegemony. He warned that we are duty-bound to strengthen the vanguard role of the FSLN and to continue the struggle for a respectful and dignified solution to the crisis in Central America.

Commander Arce noted that with the struggle by the FSLN we are simultaneously defending the right to self-determination of other Third World peoples [and their struggle] to find other paths to development and independence. He stressed the Nicaraguan people's beliefs based on saving, efficiency, and austerity, and the revolutionary government's determination to submit to the National Assembly the draft of the first democratic political constitution in the history of Nicaragua. Commander Arce relayed a greeting from the Nicaraguan people and Government to the Soviet people and their leader, Mikhail Gorbachev, who, he said, epitomizes Soviet support for Nicaragua's cause.

WORKERS HONOR BORGE DURING VISIT TO PERU

PA040037 Managua International Service in Spanish 0000 GMT 2 Mar 86

[Text] Over 4,000 members of the governing party in Peru, headed by Peruvian President Alan Garcia, have paid homage to the Nicaraguan people during a lively [combativa] ceremony that was organized on occasion of the visit of Tomas Borge Matinez, Nicaraguan Interior minister and commander of the revolution. The ceremony was attended mostly by workers who reiterated Peru's firm solidarity with the Sandinist revolution and their rejection of any foreign interference or intervention in Nicaragua. The emotional expression of solidarity was the culmination of an intensive series of activities that Commander Borge carried out in Lima yesterday.

D'ESCOTO CRITICIZES CARDINAL'S 'COMPLICITY'

PA011748 Managua Radio Sandino in Spanish 1930 GMT 28 Feb 86

[Text] Yesterday in Tipitapa Foreign Minister Father Miguel D'Escoto, who is leading the stations of the cross for peace and life, harshly criticized Cardinal Miguel Obando y Bravo, archbishop of Managua, for going along with the Reagan administration's plan against our country. Father D'Escoto urged Cardinal Obando y Bravo to repent because God will not allow the church's name to continue to be tarnished and used in the massacre of our people. Father Miguel D'Escoto addressed the people at the end of a mass in Tipitapa where the 14th station of the cross was prayed with 23 priests leading the ceremony. In addition, Father D'Escoto harshly criticized Father Uriel Reyes, the Tipitapa parish priest who closed the church to keep the pilgrims from entering. This priest also ordered the closing of the San Benito Church. However, the lady who had been cleaning and guarding that church for 20 years opened it. Let us listen to part of Father Miguel D'Escoto's statement"

[Begin recording] We do not hear God's voice on the crimes of aggression. What is worse, when the imperialist aggressor tries to justify his crimes, saying that he does it to defend religion in Nicaragua, the Episcopal Conference is silent. Such complicty, which is the kindest way to describe it, is criminal. Moreover, the (?eminent cardinal) Managua's archbishop, goes to the United States just as Reagan introduces a new request for more funds to continue murdering our people.

This is shameful. I must say he is shamless. I am speaking as they speak, I am condemning myself, but I must say what has to be said. He is shameless. [applause] He goes to the United States to relieve the legislators of their guilty minds because they themselves have said that Reagan's policy is not only illegal but immoral.

This shameless cardinal goes there and tells them: Legislators, do not worry that (?I) do not condemn that aggression. Miguel Obando y Bravo: Repent before it is too late! This is Lent, a time of [word indistinct]. The Lord -- master of life, peace, and justice -- will not permit the name of the church to continue to be used for slaughtering a people whose only sin has been that of not kneeling before the diabolical empire that wants us to adore it as if it were God, because it is more [word indistinct] and powerful.

Here, we were planning to call on that little priest called Reyes. What is his first name? [Someone answers: Uriel] Yes, Uriel Reyes. We were planning to tell that man who is a priest that [words indistinct] that if there is a problem, we will give him the benefit of the doubt. There must be some reason why he went to the San Benito Church this morning and fenced it with barbed wire to prevent the people of God, who are praying for peace and an end to this diabolical aggression, from entering the church. He is stupid, one thousand times stupid. [applause]

We demand that he come here and explain the evangelical reasons to us. However, the Lord decided that the poor man has [words indistinct]. He is totally eliminated in the eyes of his people. I pray to the Lord for him, who is a stray sinner. I pray the Lord will help him. Our people need priests, priests who will be next to their people. This is a reality of our people. [Words indistinct] [end recording]

That was Foreign Minister Father Miguel D'Escoto who is leading the stations of the cross for peace and life.

STATIONS OF CROSS CONCLUDE D'ESCOTO SPEAKS

PA021814 Managua Domestic Service in Spanish 0300 GMT 1 Mar 86

[Text] The Stations of the Cross for peace and life, during which thousands of Nicaraguan and foreign Christians prayed for an end to the aggression against Nicaragua, concluded today at the Plaza of the Revolution in Managua.

Speaking at the conclusion of the event, Father Miguel D'Escoto said that it is inconceivable that while the whole world awaits the church's reaction to U.S. aggression, Cardinal Miguel Obando y Bravo should go to the United States to support with his presence Reagan's policy that represents only terror for our people. The following are excerpts of Father Miguel D'Escoto words:

[Begin recording] The scandal is now greater because they are saying nothing. They are not only saying nothing, but there are also some of them who have undertaken the responsibility, the conscience, and the wishes of the god of death, aggression, and foreign intervention in Managua. They have gone to the United States to soothe the conscience of the conscience of the congressmen. Many of those congressmen had said that Reagan's policy was not only illegal but also immoral.

But Miguel Obando y Bravo, that poor human being who was born in Nicaragua and ordained a priest, went to the United States and told the congressmen not to worry: I am the cardinal and I cannot condemn the aggression.

Never in the history of humankind has a bishop committed such an abominable sin.

My brothers, I do not think that there is an adjective in the world's vocabulary that can truly describe the horror and disgust created by the attitude of that brother of ours.

But today these people of God, who have walked this long road stained with the blood of those who died defending their homeland, tells Reagan and the U.S. Congressmen: We, not that cardinal, represent the believers in Nicaragua, and we condemned the war because it is a diabolical war, and we tell Mr Reagan that his days are numbered. Repent now, you must not continue to enrage the Lord. [applause] Stop the killing hand, and let our people live. This is what the people of God are saying.

We invited Cardinal Obando y Bravo to be here and with his words [words indistinct], however, he is bent on doing differently. He refused to come because he is not one of the people of God. [end recording]

OBANDO Y BRAVO SAYS D'ESCOTO 'FULL OF HATRED'

PA040031 San Jose Radio Reloj in Spanish 1200 GMT 3 Mar 86

[Text] Managua -- Nicaraguan Cardinal Miguel Obando y Bravo yesterday described Sandinist Foreign Minister Father Miguel D'Escoto as a poor man full of hatred.

At the end of a mass on the occasion of the 60th anniversary of the opposition newspaper LA PRENSA at the paper's facilities, Obando today [as heard] replied to an attack by D'Escoto 2 days ago.

The minister urged the cardinal to reconsider his priesthood, which according to the minister, has gotten far removed from the people. The minister also charged the cardinal with being an accomplice to the Reagan administration's crimes.

EXCHANGE HOUSE TO INCREASE SALE OF DOLLARS

PA210341 Managua LA PRENSA in Spanish 19 Feb 86 pp 1, 6

[Text] The Nicaraguan Chamber of Commerce (CCN) has announced that the Exchange House has decided to increase the amount of dollars sold to importers affiliated with the chamber.

CCN President Leon Ruiz Amador and other CCN leaders met on the morning of Tuesday, 18 February, with more than 200 importers form throughout the country to inform them that the Exchange House increased the total amount of dollars for sale to $3,000, in comparison to the $1,000 sold to them previously.

Ruiz Amador explained that this decision was reached after meetings with representatives of the Exchange House operating in Managua; new regulations on the sale of foreign currency were agreed upon with them.

The businessmen expressed satisfaction with the increase in the amount of dollars sold, because that will allow them to import more. "According to them, this will increase the supply of imports and might result in price decreases as well."

They also pointed out that now they will have larger working capital and will be able to use the services of foreign companies that previously refused to supply them with imports for not having the required minimum amounts in dollars to receive their service.

Ruiz Amador explained that amount of dollars will be sold to businessmen in accordance with a revolving system and at an exchange rate of 950 cordobas per dollar.

The Exchange House will earmark $50,000 per week to CCN importers, which is twice as much as before.

However, it was clarified that the sale of that amount of dollars will depend on the amount of foreign currency collected by the Exchange House.

BRIEFS

SURINAMESE LUMBER DONATION -- Suriname has donated $400,000 worth of lumber to Nicaragua to be used to reinforce the Puerto Cabezas pier in Special Zone 1. The work will begin next month and will be carried out by the National Port Enterprise of the Transportation Ministry. The Surinamese donation is of vital importance because if the lumber needed for the pier had been brought from northern Zelaya, it would have run the risk of being destroyed by the mercenary bands. [Text] [Managua Domestic Service in Spanish 2300 GMT 28 Feb 86 PA]

NORWEGIAN TECHNICAL AID -- The Norwegian Government will provide $200,000 in technical aid to Nicaragua in the maritime field. The aid includes training in maritime safety and prevention of sea pollution. [Summary] [Managua Domestic Service in Spanish 2300 GMT 28 Feb 86 PA]

CASTRO SPEAKS AT MOSCOW INSTITUTE OF CHEMISTRY

FL041804 Havana Television Cubana Network in Spanish 0136 GMT 4 Mar 86

[Speech by President Fidel Castro at Moscow's Institute of Organic Chemistry; date not given -- recorded]

[Text] I have been brought here at the end of the program to speak a few minutes to you, hundreds of men and women with scientific minds. This is a very difficult task for me. However, I should explain the origin of my personal interest in matters related to biotechnology, which is what we call it. In general, we have always been interested in all sciences because we are aware of its importance in resolving many human problems and economic problems. In these two areas it has a great importance. I am mostly interested in the human side. However, I understand that the economy has to be developed for the benefit of mankind, because of human reasons.

As you well know, genetic engineering, biotechnology, is a relatively new science. I had never heard about genetic engineering. I had heard about genetics, and I was very much interested in it after the triumph of the revolution because of its use in agriculture. Above all, we were trying to find some breeds of cattle which could produce larger quantities of milk. For example, we were also trying to improve the breeds of swine and poultry, and so forth. But, above all I was interested in cattle genetics. I read some books on genetics which dealt with the problem of the chromosomes, the problem of the genes, the problem of compatibility and incompatibility. We even proposed cattle crossbreeding. For example, the Zebu breed, a tropical breed, was crossbred with the Holstein breed, a European breed of dairy cattle. We also crossbred Brown Swiss, Red Poll, a number of animals of dairy cattle breeds, with the Zebu breed. Our goal was to increase the production of milk.

The Zebu breed resists very warm temperatures. It has characteristics -- produced by nature, not man -- that are needed in the tropics. It can go without water for long periods of time, needs very little nourishment. It has a great capability for (?gene) conversion, twice the number of pores on the hide which improves the animal's cooling process. It has black hide and white hair, which help them resist the caloric and ultraviolet rays. It has all those characteristics which we were trying to transfer to other animals with dairy genes, dairy characteristics.

More than 20 years ago, we conducted research work in crossbreeding. Fortunately, in the first generation we were able to get animals which had inherited the resistance of the Zebu and the dairy characteristics of the Holstein. We call it F-1. Later, we called it F-1 F-2 and that was incorrect, because we were calling F-2 the F-1-1. That was the most common breed. We were crossbreeding Holstein with Zebu, and then the hybrid was crossbred with Holstein again.

Since I have talked about old time genetics -- we know a bit about it -- I would like to tell you that as a result of this massive process of crossbreeding selected brands, we produced a cow, only one cow, which was exceptional. It set new records of milk production. This cow had 25 percent Zebu and 75 percent Holstein. By chance this animal did not come from a breeding center, because many peasants did not want to believe it. We had to bring foreign journalists to demonstrate it. This cow's peak production in three milkings was 110.8 liters of milk in 1 day. We could say that this animal could produce almost 10 percent, a little more than 10 percent of its weight, in milk. It maintained that production over a period of 1 month, that was February 1982. During that month it produced an average of 105 liters of milk per day. In 300 days it produced more than 23,000 liters of milk. That cow broke all records by a large margin.

Finally, a U.S., Holstein cow that produced 89 liters of milk at the most, was the greatest U.S. producer of milk, which set a record. Clearly, if we had that animal, we would be very interested in any female offspring and how much milk it produced. It gave birth to a female calf. In another delivery it gave birth to a male calf. We would be waiting impatiently to see what the female calf would produce. The female calf was mediocre. It was actually a hybrid. How could we achive homogeneity?

What we did then with that cow is [words indistinct] through multiple ovulation and transplantation of the ovum. That animal had approximately eight to ten offspring. Unfortunately, when we discovered that information, the cow was already old. No one had recognized the cow's potential. Before that animal died -- it was finally sacrificed -- it had skin cancer. However, its nucleic acid was preserved at approximately 180 degrees contigrade for the day when we can manipulate its genetics. We have not been able to produce any other cow comparable to it.

Some of the results obtained from this gave us much encouragement in the area of genetics, that is to say, in traditional genetics. We had no idea that man was no longer combining genetics, but was transplating genetics. It became very important when we found that out.

Now, what encouraged interest in genetic engineering and [word indistinct]? Approximagely 5 years ago a prominent U.S. doctor visited us. This U.S. doctor is a progressive, a man of peace. There are some men who visit us with sympathy and respect for our country. I spoke with one of those men and I asked him -- and I frequently ask U.S. doctors or scientists that question -- what are you doing against cancer? What is the state of cancer research?

That is when I first heard of interferon. He said to me; we are teaching with a product called interferon, white blood cell plates. This doctor is from Texas. When he saw that I was very interested, he said: If you like, send a doctor to see the research we are doing. I said: Fine, and I sent three doctors. Among them was Limonta, who is working in the center. We sent three capable [word indistinct] doctors. They were there several days and the doctor explained their research to them, approximately 1 dozen cases. That year interferon was still scarce. It was still not used in genetic engineering. This U.S. doctor told the Cuban doctors that interferon was supplied from Finland. There was a doctor who was able to obtain interferon from white blood cells. We made contact with that doctor, Dr (Cantel), who was a Finnish researcher. We told him we were interested. He told us to send two [doctors] to study the technique of obtaining interferon. We sent six, those three doctors who were already in Texas and three more.

Once in Finland, the doctors were informed that it was relatively simple, very meticulous work but that was [words indistinct] 12 or 14 days. While they were there, we were already purchasing some equipment and they were purchasing [does not finish sentence]. So as not to lose time, we quickly set up a laboratory in a protocol house. We included an electrical plant because I said a reserve electrical plant is needed in case of an electrical outage.

When the six doctors arrived -- they were doctors, not biologists -- they began to produce interferon using the techniques they learned in Finland. They worked zealously. They searched for the virus that is used in producing interferon. They coordinated efforts with blood donor centers to separate white blood cells. Initially, they had problems because they needed eggs, which were free from viruses. The eggs were contaminated and they had problems. The viruses became mixed. However, they continued their struggle. They overcame those difficulties and in a short time they produced interferon en masse and after quickly being processed through the centrifuge, it was refined. I remember the day I was informed that they produced interferon, 28 May. What year was the dengue epidemic? [response indistinct from unidentified speaker]

Then I am mistaken about the date. I did not speak to the U.S. doctor in 1982, it was 1981. Set everything I am saying one year back and we will have the exact date. On 28 May [words indistinct] the excitement of obtaining that achievement, that protein as you call it, was because it can be used in cancer research. It is understandable because we see many ill people, many brave comrades, and loved ones, ill with cancer and medicine is unable to [word indistinct].

We were interested in working in that direction but this coincided with the out break of an hemorrhagic dengue epidemic. As a result of our analysis, we suspect it was deliberately introduced . It turns into a plague which is transmitted through a mosquito called Aedes Aegypti and it spread rapidly. It specially attacked children. Since interferon is active against viruses [leaves thought unfinished]. So out of desperation, we began to use interferon to combat the virus. Generally, some positive results were noted. The most interesting thing is that all vacation activities for children had to be called off. However, in a large camp site we had to decide if we were going to dismiss them. We came to the conclusion that the children were going to be safer at the camp site, that they were going to be well cared for. So interferon was used massively there. We used it when the children showed early symptoms of the illness. It was confirmed that none of the children got worse. Usually, there is always a percentage that gets worse but none of them got worse, among hundreds of cases. Interferon was first used in the struggle against the epidemic. Naturally, later, as production increased -- we accumulated some billion units -- we started to use it for eye hemorrhagic conjuntivitis, we began to test it on Type B acute hepatitis. There were notable cases in very seriously ill people, who were unconscious, and responded to interferon within hours. We discuvered it was very useful in the struggle against acute hepatitis, so we began using it systematically in all cases of acute hepatitis in our country. The dosage has been calculated -- it is around 40 million units, I believe they are 40 million units, if I remember correctly -- and it cures cases of acute hepatitis in a matter of days. Then, it began to be used in some kinds of tumors, for example -- how is it called? -- the papillomatouse. It is the kind of tumor that develops in the larynx. I think it is called larynx papillomatouse. It began to be used effectively because apparently it is of a viral origin. It was also used in sole warts, and some kinds of cancer. I do not want to talk too much about that because that is still under research. But we have been able to achieve, to observe great results in some types of cancer in certain individuals, in some individual cases. We have been doing research for several years, of course, using it in terminal cases. It cannot be used [changes thought] other known therapy methods have to be used. We cannot experiment with people.

In sum, all these expectations around interferon familiarized us with genetic engineering since we began to produce it by using genetic engineering. It opened the doors of that wonderful world of genetic engineering and biotechnology. As evidence of this, I would like to say that when there is interest, when one works with dynamism, results are achieved. For example, 3 and a half months had not gone by yet from the first time we heard about interferon to the time we first produced it. That encouraged us. We thought biotechnology is a science our country could use. It is a matter of will, intelligence, and hard and consistent work. It is not like the siderite and petrochemical industry which requires so much research. So during those days, while work was being done at the house of protocol, which was converted into a laboratory, the project progressed rapidly. The present biology laboratory was built in 4 months. This is where interferon has already begun to be produced by processing several hundreds of thousand of (?liters) of blood a day. We are attempting to achieve this through genetic engineering. When did we find out that the solution was genetic engineering if it was going to be mass-produced, if lower costs were going to be achieved? That is when we began to hear about the production of insulin through genetic engineering, and the hopes of producing many other very important proteins.

It was really not an economic goal but the interest in public health and human problems that encouraged us to work in this direction.

After our first laboratory was operating, we had word that the UNIDO [United nations Industrial Development Organization] a UN organization -- wanted to sponsor a research center. We said we are conducting research so why not sponsor this one?

Some support was provided when the research here was seen. There was a commission visiting a number of countries. Spain offered $40 million so that they [does not finish sentence]. Italy offered $40 million. We did not have $40 million.

We had to construct the building. We arrived at one conclusion. If we have to do everything, the building, the residence, and everything, then we will seek the money we need for the equipment and we will build the center. If we do not have international cooperation, we can have the cooperation of scientists from socialist countries, the Soviet Union, and possibly some Western countries which are progressive and peaceful. That is how we came to the conclusion to construct our center. While the others were discussing who would be the center of the United Nations, UNIR [not further identified] our group from the biology laboratory began elaborating the draft program. From the ideas [words indistinct] and also from the information gathered from several centers, the projects were begun and at the same time construction began. The architects were there working on a house and the laborers were there constructing simultaneously. They did not wait for the draft to be completed. We began working fervently. Personnel was prepared. We recruited a company that had studied here in [word indistinct]. We began recruiting many scientists, youth, recent graduates, [word indistinct]. The personnel were prepared for the new center.

During that time, Comrade Ovchinnikov [not further identified] was visiting. What was [words indistinct]? [translator responds: In January of last year] In January of last year, last January -- I do not know if I am tiring you too much. I want to explain because I am here -- I knew that El Chino [not further identified] had arrived. I went to visit him and I explained what we were doing. I asked for cooperation. We went to the center and they were laying the first stones. Then I told El Chino that we would complete the building 30 June 1987 [as heard] and he would be invited to the opening, which would be 1 July. I also promised him that when I had the first opportunity to travel to the USSR, I would...[thought unfinished]

[Castro comments to an unidentified speaker] Are you going to turn out the light now? No one told you to put it [object not identified] there. I am finishing my explanation, hold your horses.

[I also promised him that when I had the first opportunity to travel to the USSR, I would] visit this center. That is what I am doing, keeping the promise I made to Comrade Ovchinnikov.

He says we have not attended the congress. It is true, not because we were sightseeing, but because we were working. We did not attend the congress but we are completing what we have agreed upon. We have accelerated social economic development, surpassed in science and technology, encouraged scientific research, and that is what we are doing. [applause]

It gives us satisfaction to tell Comrade Ovchinnikov today that the center is on schedule and there are 1,500 workers laboring day and night, double shifts, 12-14 hours daily. I am aware of the party official of that [words indistinct] the construction workers. [applause] We will open it 1 July, that is in approximately 3 1/2 months. Our center will be completed and it will have 64,000 square meters. It is not anything like this. We think that, from our own experience, we have constructed a very rational project that consists of 2 eight-floor buildings connected by a central body. The laboratories can also be separated from this center. It has its administrative, eating, and energy areas, as well as warehouses. I am going to explain this to you so that you can see because it can be seen very well [words indistinct].

The pilot plant has a roofed area for animals, another outside under open sky, I mean without a roof, and another area for the plant installation. It is located in an area that covers 14 hectares outside the suburbs of the City of Havana. Housing will be built there for the personnel. If you will allow me I will show you here, on the blueprints. Those are the main buildings, the pilot plant, roofed area for animals, outside area for animals, plant area, warehouse. On the other side some 150 meters away, there is a multifamily building: On this side a hotel with 105 rooms for 200 persons. This will be used for collaborators coming from abroad, or for students coming from abroad, or for Cubans who will be training there. [Someone shouts something from the audience] That institute is a branch. If that is not the case, we are in bad shape. [applause] That is the mock-up, but it needs to have some parts of the building added. I believe that is enough. Maybe we will add some other things. If you would allow me to continue speaking, I would like to add a few more things that could be of interest.

I would like to say that the cost of this project, without including the 14 hectares, the cost is approximately $56 million. In rubles, it would be a little less. In Cuban pesos it would be about the same. You can say the cost is 50 million rubles. Materials used which include elevators, generators, plants, and others amount to $15 million. Nontechnological equipment for this project cost some $10 million. This includes two electron microscopes, [words indistinct], laboratory equipment and will be completed by the beginning of the century. This is an effort of our country. There is nothing else more useful than this type of center. I am absolutely convinced that there is a human side to it, but I am sure that any of that center's results will more than pay for the cost of building it. In the present laboratory, there are some 100 comrades working. The new ones are undergoing training abroad in various research centers. There are some people in the West who want to cooperate. We have sent the comrades abroad to gain experience in various centers.

These are very young personnel. The present laboratory has already produced interferon through genetic engineering. They have produced the (danmax) interferon from blood. They have not yet produced it through genetic engineering. They are working on a vaccine for livestock agriculture, to combat some animal diseases. They are working -- and have made great progress -- on a vaccine against the [words indistinct].

As you all know, this is being produced at a very high cost, something like (?$400) per hour. They are working in the production of a protein known as ATP. I believe it is called the activator of [word indistinct]. This protein could stop a stroke without side effects. I suppose you are probably working on that protein. Skin cancer genes are frozen.

In another laboratory we are working -- great progress has been reported -- on a vaccine against meningococcic meningitis, Serum Type B. There are vaccines against Types A and C, but none against B.

In our country we have more than 1,000 cases. Some 150 to 200 children die from it every year.

No matter which way you look at it, we have had complete success, a great benefit for our country and humankind. They are also working on animal tissue culture, plant tissue culture. At the same time we are building this center, we are also working on the construction of new installations at the Tropical Medicine Institute. We have some 1,500 physicians working in more than 25 Third World countries. We are very interested in the research work of and struggle against tropical diseases. We are also developing an institution of great importance. It is not far from being completed this century.

There is also another national center for scientific research work, one which was built 20 years ago. Now we are going to unite that one with the other. It will be a sort of complex of another type. There are seven hospitals, and a school of medicine in that area. We are planning to create what could be called a technical scientific front for physicians; that is, a hospital for all those organizations, a research center for another. We make a front and systematize the meetings of the directors of all those institutions so that they coordinate their efforts and work. We will call it a front. We have that in biology, a biological front.

There is a coordinator who links the school of biology, this center, plant diseases, animal diseases,and the Institute of Tropical Medicine, and who calls them all together every month. This is what we call a front. So with all these research centers and hospitals we are going [words indistinct]. We are going to build housing for the professors from the school of medicine, from the hospitals, from the research centers, and from the scientific family in that area of the City of Havana.

I want to say something that will show the possibilities that science has of motivating researchers whose work can save human life. A normal work schedule cannot be maintained. A work habit was created there. They worked in the daytime, at night, on Saturdays, and a tradition was created. The comrades who are at that biological center [words indistinct] if you go there are 2200 you find them there. If you go there on Saturday, you find them all at work. If you go there on a Sunday, you find a lot of them who do not want to stay at home but prefer to be at work. They work 12, 13, 14 hours daily.

A new spirit is being created among the researchers. There is a group composed of electronics experts, mathematicians, and physicists who have developed new equipment that is very original and does multiple analyses. They have provided it with an ultramicroanalytic system [sistema ultramicrononanalitico]. This equipment can do 250 analyses, and it uses 3 percent of the reagent any normal piece of equipment uses.

We already have a group equipped with this kind of equipment, and we are using it in a program of prenatal genetics. We already have laboratories in different provinces and we are going to continue to produce this equipment. We are also going to build another laboratory, a research and production laboratory. It will have a production capacity of between 50 and 100 units of this type of equipment per year in addition to performing research. It will be a research and production laboratory, and it will be associated with this place. We intend to build it this year. It will have about 3,000 square meters, and that is nothing for the brigade that will build it; the brigade has other jobs to do too, and works very hard.

Groups of young researchers are being created in our country with extraordinary work morale. In addition to moral incentives, we intend to provide material incentives, although the work they do is not done for money. They do it out of obsession and passion, but we intend to raise their salaries and improve their living conditions.

These are special considerations that they merit from society to compensate them for the effort they are making.

I have observed that when material incentives are awarded to medical doctors, or teachers, they especially appreciate the fact that society recognizes the effort they are making. This is more important than the cost of what they receive. A generation of researchers is being trained composed of vanguard researchers. We are paying special attention to all research activities. We have not made efficient use of what we have, but it is our goal to achieve maximum efficiency in all our research centers, and there are more than 100. There are 10 or 12 medical research centers. We have had the problem of no one keeping track of the work being done by the researchers; many did research on whatever they chose. The research being done sometimes bore no relation to what the country needed. Some researchers did research related to their doctoral theses. We want to coordinate research with the economic and social needs of the country. We are making a great effort, and we are optimistic about the results we are going to get.

We are also building a biohotel, which is a center for animals that are free of pathogens, free of disease, of viruses, of bacteria. This is a big institution for a large variety of animals: Rats of different types, rabbits, sheep, monkeys. At the same time, we are building a new vaccines laboratory connected to this installation. This is what we are doing. We intend to begin research and inaugurate the center on 1 July, as I said before.

We intend to have a small staff because we struggle against bureaucracy, against excess personnel. We are going to have that center as we do the present center [words indistinct] because sometimes the existence of too many different categories of workers multiplies the number of workers needed.

We calculate that about 300 persons will work in the research center, including administrative personnel. This figure may be too low. We also calculate there will be about 100 foreign collaborators, and about 270 researchers who will work at the center. We are not very experienced in making these calculations.

Unfortunately, we cannot use 100 percent of the center the first year. We are training new generations,and if we filled the research center now, we would be cutting off this avenue for the young people who are being trained. It will take us at least 2 or 3 years to put 100 percent of the center into use. It would be a shame to have the center completed and have 80 researchers. For this reason we need reinforcements; it is our hope that [words indistinct]. I do not know whether it is too much to ask. Ovchinnikov has a large complex, he is vice president of the Academy of Sciences, and is responsible for the biological sciences of the USSR. It would not be very hard for him to recruit 15 or 20 experienced researchers to work 1 or 2 years with us while we train new personnel.

I have brought a list and am asking for some personnel; I don't know if I should make my request by first and last names. [shouts from audience, applause] He knows that I am going to leave the information, and it is my hope that I will see some of you here in our center. [applause] You can imagine with what affection, with what hospitality we receive Soviets in our country. With the biologists, biochemists, and researchers that Ovchinnikov sends us, we are going to multiply our hospitality if possible. [applause]

I am sure you will receive the impression of doing very useful work that will be sown in fertile ground, and in this way we will create the bases of fraternal collaboration between the two centers. The world is immense both because of its size and because of its billions of inhabitants. There are billions in the Third World, in Latin America, in Asia, and in Africa who are afflicted by disease and need and poverty. So there is room in the world for many centers like this one.

We are sure that, because we are not private enterprises and we are not capitalist multinational firms, the results of our research will help billions of persons. If there is a vaccine for the meningitis menigococcus, we can guarantee this vaccine for all the world's children. The same goes for hepatitis and for many other diseases; there are many vaccines to be developed and many problems to be solved.

AIDS has appeared and has become the terror of humanity. There is cancer, and it is necessary to struggle to resolve the problem of cancer, which has always been one of the most terrible diseases. There are heart diseases, the problem of sugar in the blood, hypertension, diabetes, a great number of problems. And by following the path of biological research, we can solve them. These are not nuclear weapons, and it is not a question of "star wars." It is a question of the most noble effort that man can make to give well-being and happiness to human beings.

We have the privilege of working in this field, and I believe it is one of the most honorable missions that exists for any scientist. Not only to overcome disease, but also to produce better plants that produce greater amounts of food of better quality, and animals that can produce much more milk and eggs. Perhaps one day from the nucleic acid of White Udder, which is the name of the prize-winning cow, we can obtain genes and transfer them to an embryo. No one knows what we can do! One day we may have not one but many cows that can produce 100 liters of milk, with great productivity. There is a great world awaiting. Noble persons, revolutionary persons, communists, scientific communists must move mankind.

I share and participate in this passion for science, and for this reason I hope for consideration for this passion. Please forgive me for this long speech. Thank you. [applause]

CASTRO DESCRIBES GORBACHEV AS 'HUMBLE, MODEST'

FL041538 Havana Radio Progresso Network in Spanish 1200 GMT 4 Mar 86

[Text] Fidel Castro, Communist Party of Cuba first secretary, has described CPSU Secretary General Mikhail Gorbachev as a very humble, modest, intelligent, and honorable person. The leader of the Cuban revolution told the Soviet press agency NOVOSTI that his meeting with Gorbachev was held in a very familiar atmosphere and that it was fraternal, warm, and thorough.

CASTRO MEETS WITH GDR LEADER, DPRK DELEGATION

Honecker Meeting

FL041419 Havana Radio Progreso Network in Spanish 1200 GMT 4 Mar 86

[Text] The heads of state from Cuba and the GDR, Fidel Castro and Erich Honecker, have held a fraternal meeting in Moscow where they are heading the delegations of their respective countries to the 27th CPSU Congress.

On Monday, Fidel also made a 3-hour visit to the Moscow Shemyakin Institute of Bioorganic Chemistry where he spoke about some aspects of the development of that science in Cuba and other matters of interest.

DPRK Delegation

FL050056 Havana Television Service in Spanish 0100 GMT 5 Mar 86

[Text] Commander in Chief Fidel Castro, first secretary of the Central Committee of the PCC, met today in Moscow with the delegation from the Democratic People's Republic of of Korea that is attending the 27th CPSU Congress.

The delegation from democratic Korea is headed by Kang Song-san, member of the Politburo of the Korean Workers' Party and premier of the Administrative Council of the Democratic People's Republic of Korea.

At the fraternal meeting, the chief of the Cuban revolution was accompanied by Politburo members Carlos Rafael Rodriguez and Jorge Risquet Valdes, in addition to Lionel Soto, member of the Secretariat of the PCC and Cuban ambassador to the USSR.

HUNGARIAN FOREIGN MINISTER ARRIVES ON VISIT

PA042219 Havana International Service in Spanish 1800 GMT 4 Mar 86

[Text] Hungarian Foreign Affairs Minister Peter Varkonyi arrived in Havana for a visit of several days. He was welcomed at the Jose Marti International Airport by Foreign Relations Minister Isidoro Malmierca.

During his stay in Cuba, Varkonyi will meet with his Cuban counterpart, and will visit points of interest. Varkonyi is currently on a tour of several Latin American countries, including Mexico and Nicaragua.

CARICOM REGISTERS TRADE SURPLUS WITH BRITAIN

FL041825 Bridgetown CANA in English 2343 GMT 3 Mar 86

[By Hallam Hope]

[Text] Bridgetown, Barbados, March 3, CANA -- The Caribbean Community (Caricom), minus Belize, had a 94.9 million dollar (U.S.) trade surplus with Britain last year, an official British trade report said. [Words indistinct] when the 12 Caricom countries recorded an 81.7 million dollar deficit with Britain.

Exports from the region amounted to 584.7 million dollars last year compared with imports totalling 489.8 million dollars. By comparison, the 12 Caricom states exported 614.4 million dollars in goods in 1984, while they imported 696.2 million dollars worth of products.

Jamaica was the leading exporter, selling Britain 128.8 million dollars in goods, while its imports amounted to 63.6 million dollars -- a surplus of 65.2 million dollars.

Trinidad and Tobago had a 17.5 million dollar deficit with Britain, exporting 117.3 million dollars worth of goods and importing 134.8 million dollars.

Barbados recorded a trade deficit of 38.5 million dollars, with exports amounting to 19.4 million dollars compared with imports valued at 52.9 million dollars.

The Bahamians had a 4.7 million dollar deficit for the year under review. Their exports amounted to 101.7 million dollars, while imports of goods were worth 106.4 million dollars.

Guyana recorded a 48.8 million dollar surplus. Its exports were valued at 75.2 million dollars in comparison with imports worth 26.4 million dollars.

Antigua and Barbuda recorded a deficit of 38.7 million dollars. While it imported 41.4 million dollars worth of goods, it exported only 2.7 million dollars in products.

Dominica however had a trade surplus, selling Britain 25.9 million dollars worth of goods and importing a total of 14.8 million dollars worth.

Grenada and Montserrat both recorded trade deficits. Exports from Grenada came to 9.6 million dollars in comparison with imports amounting to 12.6 million dollars -- a three million dollar deficit. Montserrat's deficit was 2.8 million dollars. It exported goods worth half a million dollars, while it imported 3.3 million dollars in products.

St Kitts and Nevis, St Lucia and St Vincent and the Grenadines all recorded trade surpluses. St Kitts and Nevis has a surplus of 400,000 dollars, St Lucia a surplus amounting to 46.4 million dollars and St Vincent and the Grenadines had a surplus of 22.5 million dollars. St Kitts and Nevis exported goods worth eight million dollars, while its imports came to 7.6 million dollars. St Lucia's exports to Britain were valued at 63.2 million dollars, while it imported goods worth 16.7 million dollars. St Vincent and the Grenadines exported 32 million dollars worth of goods to Britain and its imports were valued at 9.5 million dollars.

HAITI

OVER 20 POLITICIANS ANNOUNCE CANDIDACIES

PA041308 Madrid EFE in Spanish 2323 GMT 3 Mar 86

[By Serge Beaulie]

[Text] Port-au-Prince, 3 Mar (EFE) -- More than 20 politicians, most of them with an extensive Duvalierist background, have announced their desire to become president of Haiti, although the date of the elections is unknown. On 7 March it will be a month since former President Jean-Claude Duvalier and his family left for France in a U.S. Air Force plane.

The list, published in the local press, does not contain the names of the six members of the civic-military council, such as the new President General Henri Namphy, who officially have no "political ambitions." Gen Namphy has promised to convoke an assembly first, to prepare for the new presidential elections by direct vote. Although Namphy always avoids specifying the government's calendar, he has appointed the president of the National Bank of Haiti for a 3-year period.

Among the Haitian politicians who have expressed their intention to become presidential candidates, after 28 years of the Duvalier regime, are Marc and Raphael Bazin. Marc Bazin was finance minister under Jean-Claude Duvalier. He only lasted a few months due to the demonstrations following the merciless imposition of an IMF program. Raphael Bazin a physician and cousin of Marc Bazin, proclaimed in New York, the day after Duvalier left Haiti, the establishment of a government-in-exile headed by himself.

According to the local press, retired Colonel Octave Cayard, and Sylvio Claude, leader of the Haitian Christian Democratic Party (PCDH), also want to run in the elections, although the PCDH has not been recognized by the International Christian Democratic Party. Claude, a protestant minister, was accused by "Baby Doc" of being an activist and imprisoned.

Clemar Joseph Charles, "Papa Doc's" financial adviser who resides in New York, and Dr Lesage Chery, a former deputy under "Papa Doc," will also present their candidacies. Furthermore, Louis Dejoie, Jr, leader of the Haitian mulattos; Clovis Desinor, a former minister under "Papa Doc" known as the "financial czar" and Thomas Desulme, a former senator now in Jamaica, would also be candidates.

Daniel Fignole, former president of the Republic for 18 days in 1957 before Francois Duvalier; and Marcel Fombrun, a former minister under President Magloire who was in power between 1950 and 1956, have also publicly announced that they will run in the elections. Frombun is one of the historical leaders of the Haitian mulatto clan. Serge Gilles, leader of the Haitian Communist Movement, a resident of Paris, would also run in the elections. Rockefeller Guerre, a congressman under Jean-Claude Duvalier; Lamartiniere Honorat, a former minister under "Papa Doc"; and Luc B. Inocente, exiled in Caracus, have also announced their electoral plans. Leslie Manigat, leader of a political party founded in exile and a resident of Caracus; Louis Noizin, a professor and director of King Christophe University in Cap Haitien; and Constant D. Pognon, president and founder of the National Unity Democratic Party and the only candidate who has outlined his government program, also intend to run in the elections. Pognom is a schoolteacher.

Finally, Frank Romain, a retired colonel of the Armed Forces; Hubert De Ronceray, a former minister under "Baby Doc" and Louis Roy, a doctor and former director of the Haitian Red Cross, are also prepared to participate in the elections.

NAMPHY GRANTS INTERVIEW TO ECUADOR'S HOY

PA042024 Hamburg DPA in Spanish 1827 GMT 4 Mar 86

[Excerpts] Quinto, 4 Mar (DPA) -- General Henri Namphy, president of the National Government Council, has announced that the overthrow of the Duvalierist regime "was not just a simple coup d'etat, but the liberation of a country." "We have liberated a people without firing a single shot," Namphy added in an interview granted in Port-au-Prince to a correspondent of the Quito newspaper HOY.

"However, our government will be transitional to fill a power vacuum. We will call elections whenever it is possible," he added, admitting that "that process will take time." Namphy affirmed that after 28 years of the Duvalier dynasty, "Haiti is at the bottom of an abyss where it was dragged by the former regimes, which intentionally kept this country mired in illiteracy in order to exploit it." Namphy also reiterated his government's decision to request the extradition of Duvalier and his principal collaborators, in addition to naitonalizing their properties and dissolving the corp of volunteers for national security, whose members are known as the Tontons Macoutes.

Meanwhile, Namphy accused the extreme right sector of promoting the lootings taking place in Port-au-Prince and other Haitian cities. "the extreme right is still acting, but we are alert," he said. The Haitian Government leader concluded announcing that the "immediate" task of his government will be "rethink this absurd economy wherein luxury products are imported while the people go hungry."

INFOPADA CRITICIZES JUNTA MEASURES, REPRESSION

PA042215 Madrid EFE in Spanish 1514 GMT 4 Mar 86

[Text] Santo Domingo, 4 Mar (EFE) -- The Union of Haitian Patriotic and Democratic Forces, Infopada, has accused the civilian-military junta which governs in Haiti of sponsoring a state of uncertainty, persecution, and missing citizens. Inpopada's spokesman in Santo Domingo, Louis Felix Paul, said that the government junta is protecting members of the dissolved repressive police corps known as the Tontons Macoutes. He added that the Haitian citizens who struggle against the junta are being persecuted, many of them have been arrested, and others have been reported missing. Furthermore, the curfew is still in effect. Infopada deplores the fact that the civilian-military junta is demanding a visa for every Haitian who wants to return to the country.

TRINIDAD-TOBAGO

CHAMBERS, JAMAICA'S SEAGA STRESS TRADE, AIR LINKS

FL041810 Bridgetown CANA in English 2139 GMT 3 Mar 86

[Text] Port-of-Spain, Trinidad, March 3, CANA -- The Governments of Jamaica and Trinidad and Tobago today underscored the need for improved trade and air-links between the two Caribbean Community (Caricom) member countries.

Jamaican Prime Minister Edward Seaga and his Trinidad and Tobago counterpart George Chambers spoke this morning before closed-door talks, with Chambers looking for a deal that would allow the state-owned airline, Bwia International, to fly to Jamaica with confidence.

Chambers urged Seaga, who arrived here Saturday for an official four-day visit aimed at improving trade and other Port-of-Spain-Kingston relations, to consider the completion of an air services agreement between the two countries.

Seaga said he hoped for a freer flow of goods between the two states -- the largest markets in the community. Trinidad and Tobago has been accused by its neighbours of severly restricting entry of their goods through a licensing regime.

I hope this morning, said Seaga, that we will be able to get back to some more zeros -- zero licensing, zero-ec-o (import applications for which foreign exchange is required) in order to be able to make trade truly free in the state of Caricom between our two countries.

He added: If we can do that, then the base is laid for dealing with all the other problems of the Caricom region -- this being the major one.

Today's discussions took place against the background of concern in Caricom about a decrease in intra-regional trade.

We are the two large market places of Caricom, said Seaga, and if we do not provide markets for each other, then we cannot provide markets for the rest, nor can the rest of the countries which constitute Caricom expect to be markets for us.

Chambers highlighted the importance of bilateral contacts. Far from undermining the Caribbean integration movement, he said, bilateral contacts are essential ingredients in the totality of regional relationships and rebound eventually to the benefit not only to the people of our two countries but of the region as a whole.

He added: We both recognise that it is much more important to bring about increases in domestic production, thus creating opportunities for gainful employment.

Looking at the United States and Canada's trade and aid packages for the Caribbean, Chambers said: ...We have a common interest in securing preferential access on the most advantagegous terms to a third market.

Important though these large markets in third countries are, regional trade is of much significance to both Jamaica and Trinidad and Tobago.

Added Seaga: What Caricom is more than anything else is an opportunity for us to give work to our people.

If we did nothing more than trade qually between ourselves and thereby earn no foreign exchange, in terms of the net balances, we would serve to give more work to the people of Trinidad and the people of Jamaica.

Seaga was later the guest of Chambers' cabinet at a luncheon following visits to Port-of-Spain's multi-million dollar hall of justice and financial complex.

In the afternoon, Seaga paid a visit to one of the three major car assembly plants in the country -- Neal and Massy in east Trinidad. An evening meeting was also scheduled with parliamentary opposition leader Basdeo Panday.

Tomorrow, Seaga will visit government's industrial estate at Point Lisas as well as the new multi-million dollar Mount Hope medical complex -- scheduled for opening later this year.

Seaga leaves for Kingston Wednesday morning.

Seaga on 'Zone of Moderation'

FL031645 Bridgetown CANA in English 1854 GMT 2 Mar 86

[Text] Port-of-Spain, Trinidad, March 2, CANA -- Jamaica's Prime Minister Edward Seaga says the perception by the international community of the Caribbean as a zone of moderation is a most precious resource for the region.

He was addressing a board meeting of the West Indies Jaycees here last night on the theme "Freedoms and Democracies." The Jamaican leader is on a four-day official visit.

The reality of our situation tells us that the Caribbean of the 80's has become a focus of international attention and, more importantly, a focus of positive international attention in contrast to the 1970's when unfortunately our image was, more often than not, a negative one, he said.

...We have now earned for ourselves the enviable perception in the eyes of the international community of being a zone of moderation. This image, I submit, is one of the most precious resources which we share today. For such a perception enables us to look outwards, assured of more positive responses in terms of stability, trade and economic linkages, investment flows, and the technical assistance which we all need in order to achieve and sustain an acceptable rate of economic growth and improved standards of living for our people.

Seaga indicated that the role played by his government in persuading ex-Haitian dictator Duvalier to give up power stemmed from a desire to maintain a stable Caribbean.

Although acting unilaterally for reasons of security, I know that our regional colleagues would have given strong support to the initiative which Jamaica exercised in persuading the president of Haiti to demit office at the time that he did, and so spare his country from further bloodshed and the region from the damage of being perceived as an area of instability, Seaga said.

Duvalier asked our advice, we gave it, he took it, the United States provided transportation, France a place of temporary asylum, and a potential situation of explosive dimensions was peacefully and effectively defused to the benefit of all.

GREENIDGE OUTLINES 1986-87 FISCAL PROJECTIONS

FL031750 Bridgetown CANA in English 1547 GMT 2 Mar 86

[Text] Georgetown, March 2, CANA -- Guyana is expected to push its exports up by over 10 per cent, but the more than 1 billion dollars in earnings will be outstripped by the cost of imports, according to 1986-87 fiscal projections outlined by Finance Minister Carl Greenidge.

Exports are expected to reach 1.2 billion dollars (one Guyana dollar -- 24 cents U.S.), just over 10 per cent higher than in 1985. The earning will be 300 million dollars short of the level of imports -- projected at 1.5 billion dollars.

Greenidge, presenting the national budget last Friday, detailed proposals for rapid development of Guyana's resources and generation of a four per cent economic growth this year. Guyana is budgeting for more than 1.5 billion dollars in current and capital expenditure.

Major measures in the economic growth programme are the conservation of resources, promotionand diversification of productive activities in the private, public and cooperative sectors, and reversal of the overall public corporations' deficit. The total proposed expenditure is made up of current expenditure of 1.2 billion dollars while capital expenditure on the public debt will amount to 452 million dollars, 3.7 per cent more than the 1985 figure.

Central government revenues were estimated at 783 million dollars, about two per cent more than in 1985 -- an increase projected on the basis of more efficient collection rather than changes in the tax structure. The general economic policy would have five areas of focus, Greenidge said.

These were listed as conservation, aimed at reducing waste in such areas as energy, human resources and national assets; institutional arrangements, including general incentives for the private sector, aimed at promoting productive activities; mounting of a productive drive; mobilisation of national savings, particularly through greater emphasis on investment in medium and long term securities; and measures to alleviate the plight of the lowest paid workers in the country. The primary task of the economy in 1986 is to draw on all areas, private and public, local and foreign, physical and institutional, in a bid to sustain the level of economic growth and development, Greenidge said.

SECRETARIAT DESIGNATES NEW POLITICAL DIVISION

FL031720 Bridgetown CANA in English 1934 GMT 2 Mar 86

[Text] Georgetown, March 2, CANA -- Guyana's Presidential Secretariat has been reorganised with the elimination of the post of chief political adviser to the president and the redesignation of the political division as the political and press division, the government announced.

Former high commissioner to the United Kingdom Cedric Joseph was appointed head of the presidential secretariat and Kester Alves named head of the political and press division. Joseph succeeds Winston Murray, now the minister of trade.

Halim Majeed, the former acting chief political adviser to President Desmond Hoyte, was appointed principal political officer, and public relations officer Ave Brewster designated principal press officer in the Political and Press Division.